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APPENDIX 1

Blocked Countries

People's Republic of Albania

Republic of Cuba

Democratic Kampuchea (Cambodia)

Democratic People's Republic of Korea (North Korea)

Socialist Republic of Vietnam

(31 CFR 211.1)

APPENDIX 2
RSFPP COMPOUND INTEREST TABLE #1
 Based on 3% per year - .247% per month
 (Period 1 Nov 1953 - 31 Dec 1960)

<u>Total Payments Due</u>	<u>Compound Interest Factor</u>	<u>Total Payments Due</u>	<u>Compound Interest Factor</u>	<u>Total Payments Due</u>	<u>Compound Interest Factor</u>
1	1.00000	41	43.08872	91	89.53539
2	2.00247	42	44.19499	82	90.75641
3	3.00740	43	45.30399	83	91.98024
4	4.01482	44	46.41572	84	93.20708
5	5.02472	45	47.53019	85	94.43696
6	6.03712	46	48.64741	86	95.66986
7	7.05200	47	49.76739	87	96.90581
8	8.06940	48	50.89013	88	98.14481
9	9.08930	49	52.01564	89	99.38686
10	10.11171	50	53.14392	90	100.63197
11	11.13665	51	54.27499	91	101.88016
12	12.16412	52	55.40885	92	103.13142
13	13.19412	53	56.54559	93	104.38577
14	14.22666	54	57.68496	94	105.64322
15	15.26175	55	58.82722	95	106.90376
16	16.29939	56	59.97231	96	108.16741
17	17.33958	57	61.12022	97	109.43418
18	18.38235	58	62.27095	98	110.70407
19	19.42768	59	63.42453	99	111.97710
20	20.47500	60	64.58095	100	113.25327
21	21.52610	61	65.74023		
22	22.57918	62	66.90236		
23	23.63487	63	68.06736		
24	24.69316	64	69.23523		
25	25.75406	65	70.40598		
26	26.81758	66	71.57962		
27	27.88372	67	72.75616		
28	28.95249	68	73.93559		
29	30.02389	69	75.11794		
30	31.09794	70	76.30320		
31	32.17463	71	77.49138		
32	33.25398	72	78.68250		
33	34.33600	73	79.87655		
34	35.42068	74	81.07354		
35	36.50803	75	82.27349		
36	37.59807	76	83.47640		
37	38.69080	77	84.68228		
38	39.78622	78	85.89112		
39	40.88434	79	87.10295		
40	41.98518	80	88.31777		

APPENDIX 3
RSFPP COMPOUND INTEREST TABLE #2
 Based on 3.25% per year - .267% per month
 (Period 1 Jan 1961 - 31 Dec 1965)

Total Payments Due Factor	Compound Interest Factor	Total Payments Due	Compound Interest Factor	Total Payments Due	Compound Interest
1	1.00000	36	37.73334	71	78.05822
2	2.00267	37	38.83404	72	79.26654
3	3.00801	38	39.93768	73	80.47808
4	4.01604	39	41.04427	74	81.69286
5	5.02676	40	42.15381	75	82.91089
6	6.04017	41	43.26631	76	84.13216
7	7.05629	42	44.38178	77	85.35669
8	8.07513	43	45.50022	78	86.58449
9	9.09668	44	46.62166	79	87.81557
10	10.12095	45	47.74608	80	89.04993
11	11.14797	46	48.87350	81	90.28759
12	12.17772	47	50.00394	82	91.52853
13	13.21022	48	51.13739	83	92.77282
14	14.24547	29	52.27386	84	94.02041
15	15.28349	30	53.41337	85	95.27133
16	16.32428	51	54.53592	86	96.52560
17	17.36785	52	55.70152	87	97.78320
18	18.41420	53	56.85018	88	99.04417
19	19.46334	54	58.00190	89	100.30850
20	20.51528	55	59.15670	90	101.57623
21	21.57004	50	60.31457	91	102.84729
22	22.62760	57	61.47554	92	104.12177
23	23.68799	58	62.63961	93	105.89965
24	24.75121	59	63.80678	94	106.68094
25	25.81727	60	64.97707	95	107.96565
26	26.88617	61	66.15048	96	109.25379
27	27.95792	62	67.32702	97	110.54537
28	29.03254	63	68.50671	98	111.84039
29	30.11002	64	69.68954	99	113.13887
30	31.19038	65	70.87552	100	114.44082
31	32.27362	66	72.06468		
32	33.35975	67	73.25700		
33	34.44878	68	74.45251		
34	35.34072	69	75.05121		
35	36.63537	70	76.85511		

APPENDIX 4
RSFPP COMPOUND INTEREST TABLE #3
 Based on 3.75% per year - .307% per month
 (Period 1 Jan 1966 - 31 Dec 1969)

<u>Total Payments Due</u>	<u>Compound Interest Factor</u>	<u>Total Payments Due</u>	<u>Compound Interest Factor</u>	<u>Total Payments Due</u>	<u>Compound Interest Factor</u>
1	1.00000	36	38.00484	71	79.20420
2	2.00307	37	39.12162	72	80.44736
3	3.00923	38	40.24182	73	81.69474
4	4.01847	39	41.36546	74	82.94575
5	5.03082	40	42.49256	75	84.20060
6	6.04628	41	43.62312	76	85.45931
7	7.06485	42	44.75715	77	86.72189
8	8.08656	43	45.89467	78	87.98835
9	9.11141	44	47.03568	79	89.25869
10	10.13940	45	48.18020	80	90.53294
11	11.17056	46	49.32824	81	91.81111
12	12.20488	47	50.47980	82	93.09320
13	13.24238	48	51.63490	83	94.37924
14	14.28307	49	52.79353	84	95.66922
15	15.32695	50	53.95576	85	96.96317
16	16.37404	51	55.12154	86	98.26109
17	17.42435	52	56.29091	87	99.56300
18	18.47789	53	57.46386	88	100.86891
19	19.53466	54	58.64042	89	102.17883
20	20.59469	55	59.82060	90	103.49278
21	21.65796	56	61.00440	91	104.81077
22	22.72451	57	62.19184	92	106.13280
23	23.79433	58	63.38292	93	107.45890
24	24.86744	59	64.57767	94	108.78907
25	25.94385	60	65.77609	95	110.12333
26	27.02356	61	66.97818	96	111.46169
27	28.10659	62	68.18398	97	112.80416
28	29.19295	63	69.39347	98	114.15075
29	30.28264	64	70.60669	99	115.50149
30	31.37569	65	71.82363	100	116.85637
31	32.47209	66	73.04431		
32	33.57186	67	74.26874		
33	34.67501	68	75.49693		
34	35.78155	69	76.72890		
35	36.89149	70	77.96465		

APPENDIX 5
RSFPP COMPOUND INTEREST TABLE #4
 Based on 4.25% per year (compounded monthly) - .348% per month
 (Period 1 Jan 1970 - 28 Feb 1975)

<u>Total Payments Due</u>	<u>Compound Interest Factor</u>	<u>Total Payments Due</u>	<u>Compound Interest Factor</u>	<u>Total Payments Due</u>	<u>Compound Interest Factor</u>
1	1.00000	36	38.27784	71	80.36723
2	2.00348	37	39.41084	72	81.64647
3	3.01045	38	40.54778	73	82.93015
4	4.02091	39	41.68867	74	84.21830
5	5.03489	40	42.83352	75	85.51092
6	6.05238	41	43.98235	76	86.80803
7	7.07342	42	45.13517	77	88.10965
8	8.09800	43	46.29200	78	89.41579
9	9.12614	44	47.45284	79	90.72647
10	10.15786	45	48.61772	80	92.04171
11	11.19315	46	49.78665	81	93.36151
12	12.23205	47	50.95964	82	94.68590
13	13.27456	48	52.13670	83	96.01489
14	14.32068	49	53.31786	84	97.34850
15	15.37044	50	54.50312	85	98.68674
16	16.42385	51	55.69249	86	100.02963
17	17.48092	52	56.88600	87	101.37719
18	18.54167	53	58.08365	88	102.72942
19	19.60609	54	59.28547	89	104.08637
20	20.67422	55	60.49146	90	105.44802
21	21.74606	56	61.70164	91	106.81440
22	22.82162	57	62.91603	92	108.18554
23	23.90092	58	64.13464	93	109.56143
24	24.98397	59	65.35748	94	110.94211
25	26.07078	60	66.58457	95	112.32758
26	27.16137	61	67.81592	96	113.71786
27	28.25574	62	69.05155	97	115.11298
28	29.35392	63	70.29148	98	116.51295
29	30.45592	64	71.53571	99	117.91778
30	31.56174	65	72.78426	100	119.32749
31	32.67141	66	74.03716		
32	33.78493	67	75.29440		
33	34.90232	68	76.55602		
34	36.02359	69	77.82202		
35	37.14876	70	79.09242		

APPENDIX 6
RSFPP COMPOUND INTEREST TABLE #5
 Based on 6% per year (compounded annually) - .487% per month
 (Period 1 Mar 1975 - Current Date)

<u>Total Payments Due</u>	<u>Compound Interest Factor</u>	<u>Total Payments Due</u>	<u>Compound Interest Factor</u>	<u>Total Payments Due</u>	<u>Compound Interest Factor</u>
1	1.00000	36	39.24293	71	84.57023
2	2.00487	37	40.43395	72	85.98189
3	3.01464	38	41.63077	73	87.40041
4	4.02932	39	42.83341	74	88.82584
5	5.04893	40	44.04191	75	90.25821
6	6.07351	41	45.25629	76	91.69755
7	7.10308	42	46.47658	77	93.14390
8	8.13766	43	47.70282	78	94.59729
9	9.17728	44	48.93502	79	96.05775
10	10.22195	45	50.17322	80	97.52532
11	11.27171	46	51.41744	81	99.00004
12	12.32658	47	52.66772	82	100.48193
13	13.38659	48	53.92409	83	101.97104
14	14.45176	49	55.18658	84	103.46739
15	15.52210	50	56.45520	85	104.97103
16	16.59766	51	57.73001	86	106.48198
17	17.67846	52	59.01102	87	108.00030
18	18.76452	53	60.29826	88	109.52600
19	19.85386	54	61.59177	89	111.05913
20	20.95251	55	62.89158	90	112.59972
21	22.05450	56	64.19771	91	114.14781
22	23.16186	57	65.51020	92	115.70343
23	24.27461	58	66.82908	93	117.26663
24	25.39277	59	68.15438	94	118.83744
25	26.51638	60	69.48613	95	120.41589
26	27.64545	61	70.82436	96	122.00202
27	28.78002	62	72.16911	97	123.59588
28	29.92011	63	73.52040	98	125.19749
29	31.06576	64	74.87827	99	126.80690
30	32.21698	65	76.24275	100	128.42415
31	33.37380	66	77.61387		
32	34.53625	67	78.99166		
33	35.70436	68	80.37616		
34	36.87816	69	81.76740		
35	38.05767	70	83.16541		

APPENDIX 7
COPY

MEMORANDUM OF UNDERSTANDING BETWEEN THE VETERANS
ADMINISTRATION AND THE DEPARTMENT OF DEFENSE

RETIRED PAY AND SURVIVOR ANNUITIES

ARTICLE I

INTRODUCTION

1-1 Purpose. The Memorandum of Understanding (MOU) establishes administrative procedures and assigns responsibilities for the purpose of making timely, accurate, and complete payments of (or deductions from) military retired pay, survivor annuities and specified veterans' benefits. This guidance conforms with pertinent statutory authorities and Comptroller General decisions. The procedures improve coordination between the Veterans Administration (VA) and the Department of Defense (DoD), and minimize benefit overpayments. It supersedes the DoD/VA MOU of July 1969 with the change of September 1976 and the Memorandum of Record of March 11, 1974.

1-2 General. A retired member of the Armed Forces may receive VA compensation payments. To become eligible for VA payments, the member must waive retired pay, or retainer pay, in the amount payable by the VA. The individual's application for VA benefits on VA Form 21-526 or 21-526e constitutes an election of waiver in the absence of a written statement to the contrary. Or, the waiver may be accomplished by executing section I of VA Form 21-651. The Military Service shall accept the award action by the VA as certification. The VA shall provide the Military Service with documentation upon specific request. Legislative increases will be transmitted to the Military Service in the format contained in the attachment. A legislative increase refers to the rates of VA compensation, pension, or Dependency and Indemnity Compensation (DIC) specified in the periodic changes to 38 U.S.C. Chapters 11, 13, and 15.

ARTICLE II

RESPONSIBILITIES

2-1 Responsibilities of VA. The VA shall:

A. Transmit new and revised pay data in the attached format for retired personnel to the Military Services from the VA Data Processing Center (DPC) in Hines, Illinois, using a mutually agreed upon means. This data will be transmitted upon completion of each VA processing cycle, normally twice weekly.

B. Transmit the VA award change data to arrive at the Military Services no later than the 18th calendar day of the month in which the VA amount is to be entered as a reduction in the Military Service account. Accept the Military Service's effective date for VA transaction received by the Military Service after the 18th calendar day of the current month.

C. Ensure that all VA legislative rate transactions are furnished to the Military Service not later than 90 days following the date of the public law authorizing the legislative increase. This shall include those accounts reported by the Military Services to the VA Central Office (VACO) 45 days following the date of the public law authorizing the legislative increase.

D. Recoup any overpayments that result from a legislative increase, when the Military Service is notified or the rate change more than 90 days following the date of the public law authorizing the legislative increase.

E. Ensure that VA improved pension awards (authorized under Public Law 96-385; October 7, 1980) payable concurrently with retired pay are not included in the automated data exchange.

F. Take corrective action on all data input transactions originated by VA, that are rejected by the Military Services due to a validity test discrepancy.

G. Recoup overpayments resulting from VA initial, reopened, and increased awards paid prior to the actual reduction in the Military Service account, provided the Military Service made the reduction on a timely basis upon receipt of the VA award transaction.

H. Ensure the availability of resources to support the interchange of data.

I. Furnish the Military Services with replacement tapes within 48 hours after notification by the Military Services of defective tapes.

2-2 Responsibilities of DoD. The Military Services shall:

A. Process all data received from the VA DPC since the last retired pay file update.

B. Accept the VA effective date as the Military Service effective date of VA award or change provided the transaction is received on a timely basis, is identified as a valid legislative change, or constitutes a decrease in the VA award.

(1) If the effective date of a decreased VA award is earlier than the current activity month, the Military Service shall make the required adjustment.

(2) If the effective date of an initial award of VA benefits to a regular retired officer employed by the Federal Government is earlier than the current activity month, the Military Service will make the adjustment.

(3) If the effective date of an increased VA award that is not a legislative change is earlier than the current activity month, the Military Service shall effect the new amount in the current accounting month and notify the appropriate VA Regional Office (VARO) of the discrepancy. This same procedure will be followed when processing initial awards other than subsection 2-2B.(2) above.

C. Process initial, reopened and increased VA award transactions in the Military Service activity month in which the transaction is received. If the effective date is in a prior month, the Military Service will effect the change in the current activity month and notify the assigned VARO of the discrepancy.

D. Recoup on all transactions with valid effective dates received on or before the 18th calendar day of each month, but processed with a Military Service effective date of the following month.

E. Contact the assigned VARO for resolution of transactions which fail to pass the Military Services' edit and validation routines. The Military Services shall provide sufficient data to identify the transaction and explain why it was rejected.

F. Notify the VA field stations to update the VA records in all VA total waiver cases, when entitlement to retired or retainer pay is terminated or an inactive account (total waiver of retired or retainer pay) is reestablished because of an increase to a rate exceeding the VA compensation.

G. Furnish the assigned VARO with a certification of gross retired or retainer pay and effective dates for the previous two years upon receipt of a transaction that shows VA benefits exceed retired or retainer pay.

H. Ensure resources are available to support the data interchange,

I. Report to the VACO in VARO sequence those accounts not updated by the legislative increase not later than 45 days following the receipt of legislative increase data from the VA DPC.

J. Recoup any overpayments that may result from a legislative increase when notified by the VA within 90 days of the date of the public law authorizing the legislative increase.

K. Notify the VA point of contact within 24 hours of receipt of a defective tape from the VA.

ARTICLE III

PROCEDURES

3-1 VA Improved Pension Payable Concurrently With Retired or Retainer Pay under Public Law 96-385 of October 7, 1980.

A. The VA shall:

- (1) Identify retiree accounts that no longer require a waiver of retired or retainer pay.
- (2) Notify the Military Service of those retirees who elect to discontinue VA pension payments under prior law to receive an Improved Pension.
- (3) Furnish the documentation required by the Military Service for adjusting or resuming retired or retainer pay.

B. The Military Service shall:

- (1) Accept the VA effective date (not earlier than October 1, 1980) for payment of retired or retainer pay previously waived when the effective date of Improved Pension payment is a retroactive date.
- (2) Adjust retired or retainer pay to reflect payment concurrently with VA Improved Pension.
- (3) Furnish the requesting VARO a statement of gross retired or retainer pay rates required for determining the rate of Improved Pension payable.

3-2 Fiduciary Cases. When a retired member who waived retired pay in favor of VA compensation has become incompetent, the trustee or guardian may request withdrawal of a previously executed waiver and restoration of retired pay. The processing will be as follows:

A. When VA receives the restoration request first, it will terminate VA benefits and forward the request to the appropriate Military Service finance center with a cover letter furnishing the date of termination of VA benefits. The receiving Military Service will restore retired pay and return a copy of the letter to the VA, annotated with the amount of the restored pay and the effective date of the restoration. The effective date will be the first day of the month following the month of the termination of VA benefits.

B. When the Military Service finance center receives the restoration request first, it will forward the request to the assigned VARO with a cover letter indicating the monthly gross retired pay. Upon receipt by the VARO, the procedure above will be followed.

3-3 Guaranteed Minimum Income to Widows of Military Retirees.

A. On receipt of a minimum income annuity claim, the Military Service shall:

(1) Prepare a DD Form 1895, Request for Veterans Administration Pension and Annual Income Information, and forward an original and one copy with a copy of DD Form 1885, Survivor Benefit Plan - Minimum Income Claim, to the VARO servicing the widow's pension claim.

(2) Complete the upper right identification data block and lines B and C of the "Eligibility Determination" block, and indicate on line 3 of the DD Form 1895 the effective date of annuity payments, if entitlement is determined.

(3) Suspend the payment and promptly notify the assigned VARO of the death or remarriage of the annuitant, when prior VA notification has not been received.

(4) Initiate the payments. Or, when there is no entitlement, notify the claimant of the reason for ineligibility upon receipt of a complete and authenticated DD Form 1895 from the VA.

(5) Adjust, or discontinue, the Survivor Benefit Plan (SBP) annuity upon receipt of subsequent notification of the adjustment in the widow's annual income for VA purposes before SBP or upon receipt of a termination notice from the VA.

(6) Schedule reductions in future annuity payments and notify the annuitant when SBP overpayments are detected.

(7) Requests authorization from the annuitant for collection from future VA pension payments, when DoD payments are not available for such offset.

B. The VARO shall:

(1) Confirm the claimant's entitlement to a VA pension, complete items 1 and 2, and lines D and E of the "Eligibility Determination" block, authenticate, and return the original DD Form 1895 to the appropriate Military Service finance center.

(2) Retain a copy of the DD Forms 1885 and 1895.

(3) Notify the appropriate Military Service on subsequent adjustments to the widow's annual income for VA purposes before SBP or termination of the widow's pension due to death, remarriage, or other reason. The notification shall include the effective date of the VA action, reason and type of action (i.e., pension termination, adjustment, etc.) and the adjusted VA payment.

(4) Effect the collection of SBP overpayments in monthly amount that the annuitant agrees to and forward the collections with identifying listings to the appropriate Military Services.

3-4 DIC Award to Surviving Spouse.

A. Upon death of the retiree who has an eligible spouse beneficiary, the Military Service shall:

(1) Notify the VARO of the retiree's death and furnish the amount of SBP annuity payable.

(2) Request the amount and the effective date of DIC award on behalf of the widow(er) only.

(3) Inform the retiree's annuitant that the SBP annuity will be paid in the full amount due. But, if DIC is awarded, the DIC payment shall be reduced by the amount needed to offset any intervening SBP overpayment. Obtain a statement signed by the annuitant agreeing with the conditions for SBP payment and forward it to VA.

(4) Pay the full SBP annuity amount. If DIC payments are made, pay only the amount by which the

SBP entitlement exceeds the DIC award.

(5) Furnish the VARO with a statement of the amount (if any) to be recouped from DIC with the annuitant's signed authorization for withholding to satisfy an existing SBP overpayment created by the DIC and SBP overlap. If no recoupment is required, a negative statement will be furnished to the VARO.

(6) Enter the current, basic DIC award amount as a reduction to the SBP annuity.

B. The VA shall:

(1) Research files to associate SBP notices with pertinent files regarding the annuitant.

(2) Upon receipt of the SBP award, query the VA Beneficiary Identification and Records Locator Subsystem (BIRLS) to determine whether there is a current VA claim file. When no current file exists, a VA claim file will be established, containing sufficient information to alert the VARO to a DIC-SBP payment overlap should DIC be awarded later to the annuitant.

(3) Access SBP payment files on the award of DIC payments; and when an overlap exists, offset the initial DIC payment by the amount necessary to recoup any SBP overpayment.

(4) Contact the appropriate Military Service to request the amount of SBP payment to be withheld from the DIC award and furnish the DIC effective date and amount awarded.

(5) Forward a check in the amount of the recoupment with the information necessary for adjusting the SBP payments to the Military Service.

(6) Furnish the DIC rate changes, or late awards for basic DIC rates only, to the Military Service.

3-5 SBP Premium Payments by Retirees Receiving Emergency Officers Retired List (EORL) or Pension / Compensation Payments.

A. The Military Services shall:

(1) Forward retiree requests for payments of SBP premiums by VA deductions from EORL or compensation payments to the servicing VARO. A retiree's request must provide for collection of the current SBF premium payable and future adjustments in the amount due to cost-of-living or other changes requiring a premium adjustment. Requests will not require retroactive reductions by the VA without prior agreement.

(2) Notify VA of any necessary adjustment to the premium amount.

B. The VA shall:

(1) Deduct premium the first of the month specified in the election.

(2) Process the requested deduction and forward monthly checks and listing (identifying retirees by name, social security number, and the amount of deduction) to the appropriate Military Service.

3-6 File Development and Maintenance.

A. DoD standard data elements and codes, as published in DoD Manual 5000.12-M, will be used, when available and applicable.

B. Comparable data edit and Validation routines will be maintained by the VA and the Military Services,

ARTICLE IV

EFFECTIVE DATE, MODIFICATION, AND TERMINATION

4-1 Duration. The memorandum becomes effective on the date of the last signature. Either party may propose amendments to this MOU, but both must agree for amendments to take effect. Either party may terminate the MOU upon 30 days written notice to the other party.

/S/ Robert W. Helm
Robert W. Helm
Assistant Secretary of Defense
(Comptroller)

/S/ Harry W. Walters
ADMINISTRATOR OF VETERANS AFFAIRS

13 Jun 1985

**ATTACHMENT
DATA RECORD FORMAT**

<u>Field Descriptions</u>	<u>Positions</u>
Blanks	1-3
Name of Person Entitled	4-7
Blanks	8-10
Veteran's SSN	11-19
Blank	20
Branch of Service	21
Veteran's SSN Verification Ind	22
File Number	23-31
Payee Number	32-33
Station Number	34-35
Transaction Code	36-37
Processing Month	38-39
Processing Cycle	40
Master Record Type	41
Blank	42
Amount (prior)	43-48
Effective Date (prior)	49-54
Amount 1	55-60
Effective Date 1	61-66
Reason Code 1	67-68
Blanks	69-86
Date of Death	87-92
Active Reservist Indicator	93
Special Law Code 06-08	94-95
Competency Code	96
Special Law 01	97-98
Withholding Indicator	99
Pay Grade	100-101
Payee's SSN	102-110
Payee's SSN Verification Ind	111
Veteran's Name	112-115
Blanks	116-120

APPENDIX 8

AGE OF MAJORITY
BY STATE& UNITED STATES POSSESSIONS

Alabama	19	Ohio	18
Alaska	19	Oklahoma	18
Arizona	18	Oregon	18
Arkansas	18	Pennsylvania	21
California	18	Puerto Rico	21
Colorado	18	Rhode Island	18
(For Contracts)		South Carolina	18
Connecticut	18	South Dakota	18
Delaware	18	Tennessee	18
District of		Texas	18
Columbia	18	Utah	18
Florida	18	Vermont	18
Georgia	18	Virginia	18
Hawaii	18	Virgin Islands	18
Idaho	18	Washington	18
Illinois	18	West Virginia	18
Indiana	18	Wisconsin	18
Iowa	18	Wyoming	19
Kansas	18		
Kentucky	18		
Louisiana	18		
Maine	18		
Maryland	18		
Massachusetts	18		
Michigan	18		
Minnesota	18		
Mississippi	21		
Missouri	18		
Montana	18		
Nebraska	19		
Nevada	18		
New Hampshire	18		
New Jersey	18		
New Mexico	18		
New York	18		
North Carolina	18		
North Dakota	18		

**APPENDIX 9
COMPARABLE GRADES**

Grade	Army	Navy	Marine Corps	Air Force
O-10	General	Admiral	General	General
O-9	Lieutenant General	Vice Admiral	Lieutenant General	Lieutenant General
O-8	Major General	Rear Admiral	Major General	Major General
O-7	Brigadier General	Rear Admiral (LH)	Brigadier General	Brigadier General
O-6	Colonel	Captain	Colonel	Colonel
O-5	Lieutenant Colonel	Commander	Lieutenant Colonel	Lieutenant Colonel
O-4	Major	Lieutenant Commander	Major	Major
O-3	Captain	Lieutenant	Captain	Captain
O-2	1st Lieutenant	Lieutenant (JG)	1st Lieutenant	1st Lieutenant
O-1	2nd Lieutenant	Ensign	2nd Lieutenant	2nd Lieutenant
E-9	Sergeant Major and Specialist Nine	Master Chief Petty Officer	Sergeant Major or Master Gunnery Sergeant	Chief Master Sergeant
E-8	First Sergeant or Master Sergeant and Specialist Eight	Senior Chief Petty Officer	First Sergeant or Master Sergeant	Senior Master Sergeant
E-7	Platoon Sergeant or Sergeant First Class and Specialist Seven	Chief Petty Officer	Gunnery Sergeant	Master Sergeant
E-6	Staff Sergeant and Specialist Six	Petty Officer, 1st Class	Staff Sergeant	Technical Sergeant
E-5	Sergeant and Specialist Five	Petty Officer, 2nd Class	Sergeant	Staff Sergeant
E-4	Corporal and Specialist Four	Petty Officer, 3rd Class	Corporal	Sergeant and Airman
E-3	Private First Class	Seaman	Lance Corporal	Airman First Class
E-2	Private	Seaman Apprentice	Private First Class	Airman
E-1	Private	Seaman Recruit	Private	Airman Basic

**APPENDIX 10
STATE TAX REPORTING**

State	Mail Copy 1 of IRS TD 1099-R or Automated Reports to:	State	Mail Copy 1 of IRS TD 1099-R or Automated Reports to:
Alabama	State Department of Revenue Montgomery, AL 36102	Illinois	Illinois Department of Revenue PO Box 3627 Springfield, IL 62708
Alaska	Department of Taxation State of Alaska Juneau, AK 99080	Indiana	State Gross Income Tax Division Indianapolis, IN 46204
Arizona	State Tax Commission 1700 W. Washington Phoenix, AZ 85007	Iowa	State Tax Commission Des Moines, IA 50319
Arkansas	Income Tax Division Arkansas Revenue Dept State Revenue Building Little Rock, AR 72201	Kansas	Kansas Director of Revenue Income Tax Division State Office Building Topeka, KS 66612
California	Franchise Tax Board Sacramento, CA 95814	Kentucky	State Department of Revenue Frankfort, KY 40601
Colorado	State Department of Revenue Denver, CO 80203	Louisiana	Collector of Revenue PO Box 201 Baton Rouge, LA 70821
Connecticut	Dept of Revenue Services 92 Farmington Avenue Hartford, CT 06105	Maine	Income Tax Division Maine Bureau of Taxation State House Augusta, ME 04330
Delaware	State Tax Department Wilmington, DE 19899	Maryland	Comptroller of the Treasury Income Tax Division Annapolis, MD 21404
District of Columbia	Assessor District of Columbia Washington, DC 20004	Massachusetts	State Department of Corporation and Taxation 100 Cambridge St Boston, MA 02202
Georgia	State Department of Revenue Atlanta, GA 30334	Michigan	Michigan Income Tax Treasury Building Lansing, MI 48924
Hawaii	State Tax Commissioner Honolulu, HI 96809	Minnesota	State Department of Taxation St Paul, MN 55101
Idaho	Office of State Tax Collector Boise, ID 83701	Mississippi	State Tax Commission Jackson, MS 39205

**APPENDIX 10
STATE TAX REPORTING
(Continued)**

State	Mail Copy 1 of IRS TD 1099-R or Automated Reports to:	State	Mail Copy 1 of IRS TD 1099-R or Automated Reports to:
Missouri	Department of Revenue Income Tax Department PO Box 629 Jefferson City, MO 65101	Oregon	State Tax Commission Salem, OR 97310
Montana	Department of Revenue State Capitol Building Helena, MT 59601	Pennsylvania	Department of Revenue Personal Income Tax Bureau Harrisburg, PA 17129
Nebraska	Nebraska Dept of Revenue Box 94818 Lincoln, NE 68509	Rhode Island	Division of Taxation 269 Promenade Street Providence, RI 02908
New Mexico	State of New Mexico Bureau of Revenue Santa Fe, NM 87503	South Carolina	State Tax Commission Columbia, SC 29202
New York	State Income Tax Bureau Albany, NY 12227	Utah	State Tax Commission Salt Lake City, UT 84114
North Carolina	State Department of Revenue Raleigh, NC 27602	Vermont	Commissioner of Taxes Montpelier, VT 05602
North Dakota	North Dakota State Tax Dept State Capitol Bismarck, ND 58501	Virginia	State Department of Taxation Richmond, VA 23215
Ohio	Department of Taxation 60 E. Gay Street Columbus, OH 43215	West Virginia	State Tax Commission State of West Virginia Charleston, WV 25305
Oklahoma	Oklahoma Tax Commission Oklahoma City, OK 73194	Wisconsin	State Department of Taxation Madison, WI 53702

Note Information shown in this appendix was provided to the Office of the Secretary of Defense by the Government Accounting Systems Staff, Bureau of Financial Operations, Department of the Treasury.

APPENDIX 11
REPORTS OF EXISTENCE

1. Background

a. The requirement for reports of existence (ROE) is frequently questioned by retired members or management officials not familiar with the retired payroll system. The requirement is based on the fact that retired pay is payable only during the lifetime of the retired member and unless otherwise authorized by law or regulation. The check must be issued with the retired member as payee. As early as 1931, the General Accounting Office recognized that certain controls over the issuance and delivery of retired pay checks were necessary for protection of government funds.

b. Checks may be issued to a person or institution other than the retired member only under these conditions:

(1) When the retiree has been declared mentally incompetent and a trustee, guardian, or fiduciary has been appointed to manage the financial affairs of the retiree.

(2) Under Treasury regulations providing for the checks to be made payable to a financial institution, or for the issuance of composite checks and electronic fund transfer of payments where several members have designated the same financial institution for deposit of their retired pay checks.

Under (1) above, a monthly ROE must be filed by the fiduciary. Under (2) above, Treasury regulations place responsibility on the financial institution that funds deposited after the death of the member will be returned.

c. For checks mailed to retirees within the United States, the Comptroller General (CG) of the United States relies on the US Postal Service not to deliver checks after the death of the payee. The check envelope carries a notice to the Postmaster that if the addressee is deceased, the check must be returned to the sender. Also, "Retired pay payable only during the life of the payee," is printed on all retired pay checks under the object for which drawn. During the lifetime of the retired member, a further control against fraudulently endorsed and cashed checks is provided by the member's notifying the retired pay activity of non-receipt or a lost check. After the death of the member this control no longer applies. Without the precautions cited above, checks could continue to be cashed either fraudulently or in the mistaken belief of entitlement.

d. In addition to ROEs from fiduciaries, monthly reports are required from members whose checks are delivered through foreign postal systems. However, many members living in a foreign country receive these checks in person at United States military activities, embassies, or consulates, or report their existence to such activities monthly before deposit of their check into a foreign mail system.

e. This is a chronology of Comptroller General decisions showing the changes in control requirements:

(1) **A-3531, 6 Apr 1931.** The CG established a policy to provide full protection to the government in payment of retired pay. In this letter, the CG required that this certification be signed by the proper administrative officer and attached to the retirement pay voucher, roll or schedule:

"I certify that each person to whom retirement pay is paid and not under guardianship or committee has reported over his bona-fide signature within the last 12 months his residence; that each person known to have given a power of attorney to endorse his checks for pay has reported on the last day or thereafter to which he is paid over his bona-fide signature: that reports as to the continued existence of each person paid who is under guardianship or in the custody of a committee, or whose estate is under control of a conservator has been received from the guardian, committee or conservator on or subsequent to the last day for which payment is made, and that each person residing in the foreign country or was traveling from his permanent residence as reported to this department has reported over his bona-fide signature on the last day or thereafter to which he is paid."

(2) **A-3551, 29 June 1931.** The CG permitted Navy members living in China to send ROEs to the Navy Purchasing Office (NPO) in Shanghai, and checks were sent in bulk, to the NPO Shanghai for delivery to the members. However, the CC required that the ROEs should be forwarded to the Retired Pay Department each month by the NPO.

(3) **A-3551, 3 Dec 1932.** The CG approved the application of the 29 June 1931 decision cited above to Fleet reservists and retired members living in the Philippine Islands to have their checks delivered via the Commandant of the 16th Naval District.

(4) **A-3551, 15 Dec 1932.** The CG agreed that the procedure for bulk mailing of checks described in A-3551, 29 June 1931, could also be applied to Guam. This decision extended the concept that a third party could control ROEs. The checks were sent to the Governor of Guam rather than to a Navy activity.

(5) **A-3551, 10 Feb 1933.** The CG agreed to extension of the procedure cited in the previous decisions to the Governor of American Samoa and to the Commandant of the 14th Naval District (Hawaii). However, permission to use the procedure using American consuls was denied. The decision stated in part:

“With respect to alleged hardships suffered by men residing in foreign countries generally, it would appear that the requirement of the initial certificate may have entailed a slight inconvenience due to its transmission to and receipt by the paying officer, and thereafter mailing of the check to the payee, but it would seem that if said requirement had been and is being properly complied with on the last day of each month, checks should be regularly received by the payee at monthly intervals. But irrespective of any inconvenience incident to the mailing of the certificate, the practice of mailing checks to third persons generally, including American consuls, for individuals residing abroad in their consular districts is unsound in that it increases possibility of loss and no substantial reason is apparent why the procedure should now be extended. These men receiving substantial bounty from the Treasury of the United States and reasonable regulations for the purpose of guarding against losses to the government should not be further waived or relinquished for their individual benefit or convenience.”

(6) **A-3551, 21 Aug 1933.** The CG agreed to alteration of the paying officer’s certificate of the monthly payroll. The revised certification follows with additions underlined and deletions bracketed:

“I certify that each person to whom retirement pay is paid and not under guardianship or committee has reported over his bona-fide signature within the last 12 months his residence; that each person known to have given power of attorney to endorse his checks for pay **or whose check is mailed to a bank** has reported on the last day or thereafter to which he is paid over bona-fide signature; that reports as to the continued existence of each person paid who is under guardianship, or in the custody of a committee or whose estate is under the control of a conservator (has) **have** been received from the guardian, committee, or conservator on or subsequent to the last day for which payment is made, and that each person residing **or traveling** in a foreign country (or who was traveling from his permanent residence as reported to this department) has reported over his bona-fide signature on the last day or thereafter to which he is paid.”

(7) **A-3551, 24 Oct 1946.** It was proposed that a procedure be authorized whereby a member’s acknowledgement (ROE) of the receipt of a check would permit the release of the check for the next month (a 1-month-behind basis). The CG ruled:

“While it is fully appreciate that there maybe cases where the delayed delivery of a retirement check may cause personal hardship, less effective measures than those above outlined would not, in the opinion of this office, fully protect the interests of the United States Accordingly, permission for the adoption of the proposal ... for mailing of retirement pay checks is withheld.

(8) **A-3551, 9 Mar 1951.** The annual ROE for retired members having their checks mailed to a home address within the United States was eliminated The CG approved a proposal to:

(a) Print "Retired Pay payable only during the life of the payee" under "object for which drawn" on the checks; and

(b) Print a notice on the envelopes being used that would direct postal employees not to forward the contents to addresses other than those shown and directing that delivery not be made where payee is deceased, but to return the letter to the issuing office. With further recognition that postal employees in the United States would respect such procedures, the CG eliminated the annual report requirement for accounts meeting the above requirements.

(9) **A-3551, 3 Feb 1964.** The CG ruled that ROEs were not required if a payment is made payable to a member:

(a) Who is traveling outside the United States and the check is mailed to a bank or residence in the United States.

(b) Who lives in the Philippines and has checks mailed to a bank in the United States.

The CG also indicated ROEs would not be required if the check were made payable to a bank or financial institution:

"There is no objection to the issuance of retired pay checks payable to a bank for credit to the account of the retired officer of the Army who has made assignment thereof if the check carries an appropriate legend to the effect that the check is payable only during the life of the retired officer and that the check is not subject to deposit in a joint account in which the retired officer is named and the bank is appropriately notified that crediting the check to a joint account will be at its risk."

This same letter indicated that if allotments of retired pay are authorized by regulation, there is no objection to permitting an allotment of a member's retired pay in favor of a bank if the same check legend (payable only during the lifetime of the retired officer) and notice to the bank (not to be deposited to a joint account), mentioned above are observed.

(10) **44 Comp Gen 208.** In response to a request that reports be obtained on a "1-month-behind" basis (previously proposal in 1946), the CG agreed that technological improvements in methods of payment, record keeping and communications made such procedure acceptable. The system should work:

"A report would be enclosed with each check with instructions to complete and return it. Thus, reports of existence would still be required on a monthly basis, but there would be an after-the-fact verification of the member's existence, which would eliminate the delay in release of checks, reduce handling costs, simplify procedures, and the maximum overpayment which could result would be 1 month's retired pay."

(11) **53 Comp Gen 75.** The CG authorized that composite retired pay checks in favor of a financial institution could be made where a group of retired members had all designated the same financial institution as an address for their retired pay checks. This authorization was tentative and subject to the issuance of Treasury regulations which require the financial institution to return to the retired pay activity any deposits made to retired members after date of death.

(12) **B-206129, 28 June 1982.** The CC agreed the furnishing of ROEs by military retirees and survivor annuitants whose checks are mailed to a foreign address and delivered through foreign postal channels may be changed to semiannual reporting from the current "1-month-behind" reporting requirement.

APPENDIX 12
DEPENDENCY AND INDEMNITY COMPENSATION RATES
1 JAN 1972 - 1 OCT 1976

PAY GRADE	PL-92-197 15 Dec 1971 Eff 1 Jan 1972	PL-93-295 31 May 1974 Eff 1 May 1974	PL-94-71 5 Aug 1975 Eff 1 Aug 1975	PL-94-433 30 Sep 1976 Eff 1 Oct 1976
E1	\$184	\$215	\$241	\$260
E2	189	221	248	268
E3	195	228	255	275
E4	206	241	270	292
E5	212	248	278	300
E6	217	254	284	307
E7	227	266	298	322
E8	240	281	315	340
E9	251	294	329	355
Sgt Major - Army	270	316	354	382
Sr Enl Adv - Navy	270	316	354	382
Ch MSgt of the Air Force	270	316	354	382
Sgt Major - Marines	270	316	354	382
W-1	232	271	304	328
W-2	241	282	316	341
W-3	249	291	326	352
W-4	262	307	344	372
O-1	232	271	304	328
O-2	240	281	315	340
O-3	257	301	337	364
O-4	272	318	356	384
O-5	299	350	392	423
O-6	337	394	441	476
O-7	365	427	478	516
O-8	399	467	523	565
O-9	429	502	562	607
O-10	469	549	615	664
Chm Joint Chiefs of Staff	503	589	660	712
Chief of Staff - Army	503	589	660	712
Chief of Naval Operations	503	589	660	712
Chief of Staff - Air Force	503	589	660	712
Commandant - Marine Corps	503	589	660	712

APPENDIX 12
DEPENDENCY AND INDEMNITY COMPENSATION RATES
1 OCT 1977 - 1 OCT 1980

PAY GRADE	PL-95-117 3 Oct 1977 Eff 1 Oct 1977	PL-95-479 18 Oct 1978 Eff 1 Oct 1978	PL-96-128 28 Nov 1979 Eff 1 Oct 1979	PL-96-385 7 May 1980 Eff 1 Oct 1980
E1	\$277	\$297	\$326	\$373
E2	286	307	337	385
E3	293	314	345	394
E4	311	334	367	419
E5	320	343	377	431
E6	327	351	386	441
E7	343	368	404	462
E8	362	388	426	487
E9	378	406	446	510
Sgt Major - Army	407	437	480	549
Sr Enl Adv - Navy	407	437	480	549
Ch MSgt of the Air Force	407	437	480	549
Sgt Major - Marines	407	437	480	549
W-1	350	376	413	472
W-2	364	391	430	491
W-3	375	402	442	505
W-4	397	426	468	535
O-1	350	376	413	472
O-2	362	388	426	487
O-3	386	416	457	522
O-4	409	439	482	551
O-5	451	484	532	608
O-6	507	544	598	684
O-7	550	590	648	741
O-8	602	646	710	812
O-9	647	694	763	872
O-10	708	760	835	954
Chm Joint Chiefs of Staff	759	814	895	1,023
Chief of Staff - Army	759	814	895	1,023
Chief of Naval Operations	759	814	895	1,023
Chief of Staff - Air Force	759	814	895	1,023
Commandant - Marine Corps	759	814	895	1,023

APPENDIX 12
DEPENDENCY AND INDEMNITY COMPENSATION RATES
1 OCT 1981 - 1 DEC 1984

PAY GRADE	PL-97-66 17 Oct 1981 Eff 1 Oct 1981	PL-97-306 14 Oct 1982 Eff 1 Oct 1982	PL-98-223 2 Mar 1984 Eff 1 Apr 1984	PL-98-543 24 Oct 1984 Eff 1 Dec 1984
E1	\$415	\$445	\$461	\$476
E2	428	459	475	490
E3	438	470	486	502
E4	466	500	518	535
E5	479	514	532	549
E6	490	526	544	561
E7	514	552	571	589
E8	542	582	602	621
E9	567	608	629	649
Sgt Major - Army	610	655	678	700
Sr Enl Adv - Navy	610	655	678	700
Ch MSgt of the Air Force	610	655	678	700
Sgt Major - Marines	610	655	678	700
W-1	525	563	583	602
W-2	546	586	607	626
W-3	562	603	624	644
W-4	595	639	661	682
O-1	525	563	583	602
O-2	542	582	602	621
O-3	580	622	644	665
O-4	613	658	681	703
O-5	676	726	751	775
O-6	761	817	846	873
O-7	824	884	915	944
O-8	903	969	1,003	1,035
O-9	970	1,041	1,077	1,111
O-10	1,161	1,139	1,179	1,217
Chm Joint Chiefs of Staff	1,138	1,222	1,265	1,305
Chief of Staff - Army	1,138	1,222	1,265	1,305
Chief of Naval Operations	1,138	1,222	1,265	1,305
Chief of Staff - Air Force	1,138	1,222	1,265	1,305
Commandant - Marine Corps	1,138	1,222	1,265	1,305

***APPENDIX 12, Continued**
DEPENDENCY AND INDEMNITY COMPENSATION RATES
1 DEC 1985 - 1 Jan 1991

Pay Grade	PL 99-238	PL 99-576	PL 100-227	PL 100-687	PL 101-237	PL 102-3
	Eff 1 Dec 85	Eff 1 Dec 86	Eff 1 Dec 87	Eff 1 Dec 88	Eff 1 Dec 89	Eff 1 Jan 91
E-1	\$491	\$498	\$518	\$539	\$564	\$594
E-2	505	513	534	555	581	612
E-3	518	526	548	570	597	629
E-4	552	560	583	606	634	668
E-5	566	574	598	622	651	686
E-6	578	587	611	636	666	701
E-7	607	616	641	667	698	735
E-8	640	650	677	704	737	776
E-9	669	679	707	735	770	811
Sgt Maj - Army	722	733	763	794	831	875
Senior Enl Adv - Navy	722	733	763	794	831	875
CH MSgt - AF	722	733	763	794	831	875
Sgt Major - Marine corps	722	733	763	794	831	875
MCPO - Coast Guard			763	794	831	875
W-1	621	630	656	682	714	752
W-2	645	655	682	709	742	782
W-3	664	674	702	730	764	805
W-4	703	714	743	773	809	852
O-1	621	630	656	682	714	752
O-2	640	650	677	704	737	776
O-3	686	696	725	754	789	831
O-4	725	736	766	797	834	879
O-5	799	811	845	879	920	969
O-6	900	914	952	991	1,038	1,094
O-7	973	988	1,029	1,071	1,121	1,181
O-8	1,067	1,083	1,128	1,174	1,229	1,295
O-9	1,145	1,162	1,210	1,259	1,318	1,389
O-10	1,255	1,274	1,327	1,381	1,446	1,524
Chm Joint Chiefs of Staff	1,345	1,365	1,422	1,480	1,550	1,633
Chief of Staff - Army	1,345	1,365	1,422	1,480	1,550	1,633
Chief of Naval Ops - Navy	1,345	1,365	1,422	1,480	1,550	1,633
Chief of Staff - Air Force	1,345	1,365	1,422	1,480	1,550	1,633
Commandant - Marine corps	1,345	1,365	1,422	1,480	1,550	1,633
Commandant - Coast Guard			1,422	1,480	1,550	1,633

***APPENDIX 12, Continued**
DEPENDENCY AND INDEMNITY COMPENSATION RATES
1 DEC 1991 - 1 DEC 1993

Pay Grade	PL 102-152 Eff 1 Dec 91	PL 102-510 Eff 1 Dec 92 (Note 1)	PL 103-140 Eff 1 Dec 93 (Note 1)
E-1	\$616	\$634	
E-2	635	654	
E-3	652	672	
E-4	693	714	
E-5	711	732	
E-6	727	749	
E-7	762	785	794
E-8	805	829	838
E-9	841	866	875
Sgt Maj - Army	907	934	943
Senior Enl Adv - Navy	907	934	943
CH MSgt - AF	907	934	943
Sgt Major - Marine Corps	907	934	943
MCPO - Coast Guard	907	934	943
W-1	780	803	812
W-2	811	835	844
W-3	835	860	869
W-4	884	911	920
O-1	780	803	812
O-2	805	829	838
O-3	862	888	897
O-4	912	939	948
O-5	1,005	1,035	1,044
O-6	1,134	1,168	1,177
O-7	1,225	1,262	1,271
O-8	1,343	1,383	1,392
O-9	1,440	1,483	1,492
O-10	1,580	1,627	1,636
Chm Joint Chiefs of Staff	1,693	1,744	1,753
Chief of Staff - Army	1,693	1,744	1,753
Chief of Naval Ops - Navy	1,693	1,744	1,753
Chief of Staff - Air Force	1,693	1,744	1,753
Commandant - Marine Corps	1,693	1,744	1,753
Commandant - Coast Guard	1,693	1,744	1,753

Note:

1. DIC is payable at a flat rate of \$750, as increased by cost-of-living adjustments, when a veteran dies on or after 1 Jan 1993. In addition to the flat rate of \$750, an additional \$165 may be payable if the veteran was receiving a service-connected disability compensation (or would have but for the receipt of retired or retainer pay) for at least 8 years immediately preceding death. If a veteran dies

before 1 Jan 1993, DIC is payable based on the pay grade of the veteran; however, effective 1 Jan 1993, DIC is payable at the flat rate of \$750 (including \$165, if applicable) if it is more favorable than the DIC amount based on veteran's pay grade. The flat rate effective 1 Dec 1993 is 5769: The additional amount which may be payable increased to \$169.

*APPENDIX 13
TOTAL EARNINGS TABLE

Year Of Retirement	Maximum Pay Covered By Social Security	Year of Retirement	Maximum Pay Covered By Social Security
1957	\$4,200	1986	42,000
1958	4,200	1987	43,800
1959	4,800	1988	45,000
1960	4,800	1989	48,000
1961	4,800	1990	51,300
1962	4,800	1991	53,400
1963	4,800	1992	55,500
1964	4,800	1993	57,600
1965	4,800	1994	60,600
1966	6,600		
1967	6,600		
1968	7,800		
1969	7,800		
1970	7,800		
1971	7,800		
1972	9,000		
1973	10,800		
1974	13,200		
1975	14,100		
1976	15,300		
1977	16,500		
1978	17,700		
1979	22,900		
1980	25,900		
1981	29,700		
1982	32,400		
1983	35,700		
1984	37,800		
1985	39,600		

If member made less than these amounts, add up to \$1,200 per year free credits (\$300 per quarter or \$100 per month for quarter member retires) to bring up to maximum.

**APPENDIX 14
SOCIAL SECURITY PIA TABLES**

Average Monthly Wage		Primary Insurance Amount					
At least	But not more than	Sep 72	Mar 74	Jun 74	Jun 75	Jun 76	Jun 77
\$	\$ 76	\$ 84.50	\$ 90.50	\$ 93.80	\$ 101.40	\$ 107.90	\$ 114.30
77	78	85.80	91.90	95.30	103.00	109.60	116.10
79	80	87.80	94.00	97.50	105.30	112.10	118.80
81	81	89.40	95.70	99.30	107.30	114.20	121.00
82	83	91.00	97.40	101.10	109.20	116.20	123.10
84	85	92.90	99.50	103.20	111.50	118.70	125.80
86	87	94.60	101.30	105.10	113.60	120.90	128.10
88	89	96.20	103.00	106.80	115.40	122.80	130.10
90	90	98.10	105.00	108.90	117.70	125.30	132.70
91	92	99.80	106.80	110.80	119.70	127.40	135.00
93	94	101.40	108.50	112.60	121.70	129.50	137.20
95	96	103.00	110.30	114.40	123.60	131.60	139.40
97	97	104.90	112.30	116.50	125.90	134.00	142.00
98	99	106.70	114.20	118.50	128.00	136.20	144.30
100	101	108.80	116.50	120.80	130.50	138.90	147.10
102	102	110.30	118.10	122.50	132.30	140.80	149.20
103	104	112.10	120.00	124.50	134.50	143.20	151.70
105	106	114.20	122.20	126.80	137.00	145.80	154.50
107	107	116.00	124.20	128.80	139.20	148.20	157.00
108	109	117.90	126.20	130.90	141.40	150.50	159.40
110	113	119.70	128.10	132.90	143.60	152.80	161.90
114	118	121.40	129.90	134.80	145.60	155.00	164.20
119	122	123.30	132.00	136.90	147.90	157.40	166.70
123	127	125.10	133.90	138.90	150.10	159.80	169.30
128	132	127.10	136.00	141.10	152.40	162.20	171.80
133	136	128.80	137.90	143.00	154.50	164.40	174.10
137	141	130.50	139.70	144.90	156.50	166.60	176.50
142	146	132.50	141.80	147.10	158.90	169.10	179.10
147	150	134.30	143.80	149.10	161.10	171.50	181.70
151	155	136.00	145.60	151.00	163.10	173.60	183.90
156	160	138.00	147.70	153.20	165.30	176.10	186.30
161	164	139.70	149.50	155.10	167.60	178.40	189.00
165	169	141.60	151.00	157.20	169.80	180.70	191.40
170	174	143.40	153.50	159.20	172.00	183.10	194.00
175	178	145.20	155.40	161.20	174.10	185.30	196.30
179	183	147.20	157.60	163.40	176.50	187.80	198.90

APPENDIX 14
SOCIAL SECURITY PIA TABLES
(Continued)

Average Monthly Wage		Primary Insurance Amount					
At least	But not more than	Sep 72	Mar 74	Jun 74	Jun 75	Jun 76	Jun 77
\$ 184	\$ 188	\$ 148.80	\$ 159.30	\$ 165.20	\$ 178.50	\$ 190.00	\$ 201.30
189	193	150.90	161.50	167.50	180.90	192.50	203.90
194	197	152.70	163.40	169.50	183.10	194.90	206.40
198	202	154.40	165.30	171.40	185.20	197.10	208.80
203	207	156.40	167.40	173.70	187.60	199.70	211.50
208	211	158.20	169.30	175.70	189.80	202.00	214.00
212	216	159.80	171.00	177.40	191.60	203.90	216.00
217	221	161.80	173.20	179.60	194.00	205.50	218.70
222	225	163.60	175.10	181.60	196.20	208.80	221.20
226	230	165.50	177.10	183.80	198.60	211.40	223.90
231	235	167.30	179.10	185.80	200.70	213.60	226.30
236	239	169.40	181.30	188.10	203.20	216.30	229.10
240	244	171.00	183.00	189.90	205.70	218.30	231.20
245	249	172.70	184.80	191.70	207.10	220.40	233.50
250	253	174.80	187.10	194.10	209.70	223.20	236.40
254	258	176.60	189.00	196.10	211.80	225.40	238.70
259	263	178.10	190.60	197.10	213.60	227.30	240.80
264	267	180.20	192.90	200.10	216.20	230.10	243.70
268	272	182.00	194.80	202.10	218.30	232.30	246.10
273	277	183.90	196.80	204.20	220.60	234.80	248.70
278	281	185.70	198.70	206.20	222.70	237.00	251.00
282	286	187.50	200.70	208.20	224.90	239.30	253.50
287	291	189.50	202.80	210.40	227.30	241.90	256.20
292	295	191.10	204.50	212.20	229.20	243.90	258.30
296	300	193.10	206.70	214.40	231.60	246.50	261.10
301	305	194.90	208.60	216.40	233.80	248.80	263.50
306	309	196.60	210.40	218.30	235.80	250.90	265.80
310	314	198.60	212.60	220.50	238.20	253.50	268.50
315	319	200.30	214.40	222.40	240.20	255.60	270.70
320	323	202.00	216.20	224.30	242.30	257.90	273.20
324	328	204.00	218.30	226.50	244.70	260.40	275.80
329	333	205.80	220.30	228.50	246.80	262.60	278.10
334	337	207.90	222.50	230.80	249.30	265.30	281.00
338	342	209.40	224.10	232.50	251.10	267.20	283.00
343	347	211.20	226.00	234.50	263.30	269.60	285.60
348	351	213.30	228.30	236.80	255.80	272.20	288.30

APPENDIX 14
SOCIAL SECURITY PIA TABLES
(Continued)

Average Month Wage		Primary Insurance Amount					
At least	But not more than	Sep 72	Mar 74	Jun 74	Jun 75	Jun 76	Jun 77
\$ 352	\$ 356	\$ 215.00	\$ 230.10	\$ 238.70	\$ 257.80	\$ 274.30	\$ 290.50
357	361	217.00	232.20	240.90	260.20	276.90	293.30
362	365	218.70	234.10	242.80	262.30	279.10	295.60
366	370	220.40	235.90	244.70	264.30	281.30	297.90
371	375	222.40	238.00	246.90	266.70	283.80	300.60
376	379	224.20	239.90	248.90	268.90	286.20	303.10
		226.20	242.10	251.10	271.20	288.60	305.70
380	384	227.80	243.80	252.90	273.20	290.70	307.90
385	389	229.60	245.70	254.90	275.30	293.00	310.30
390	393	231.60	247.90	257.10	277.70	295.50	313.00
394	398	233.30	249.70	259.00	279.80	297.80	315.40
399	403	235.40	231.90	261.30	282.30	300.40	318.20
404	407	236.90	253.50	263.00	284.10	302.30	320.20
408	412	238.00	255.40	264.90	286.10	304.50	322.50
413	417	240.30	257.20	266.80	288.20	306.70	324.80
418	421	242.20	259.20	268.90	290.50	309.10	327.40
422	426	243.80	260.90	270.70	292.40	311.20	329.60
427	431	245.40	262.60	272.40	294.20	313.10	331.60
432	436	247.20	264.80	274.70	296.70	315.70	334.40
437	440	248.90	266.40	276.30	298.50	317.70	336.50
441	445	250.60	268.20	278.20	300.50	319.80	338.70
446	450	252.50	270.20	280.30	302.80	322.20	341.30
451	454	254.10	271.90	282.10	304.70	324.30	343.50
455	459	255.80	273.80	284.00	306.80	326.50	345.80
460	464	257.40	275.50	285.80	308.70	328.50	347.90
465	468	259.40	277.60	288.00	311.10	331.10	350.70
469	473	260.90	279.20	289.60	312.80	332.90	352.60
474	478	262.60	281.00	291.50	314.90	335.10	354.90
479	482	264.50	283.10	293.60	317.10	337.40	357.40
483	487	266.10	284.80	295.40	319.10	339.60	359.70
488	492	267.80	286.60	297.30	321.10	341.70	361.90
493	496	269.70	238.60	299.40	323.40	344.10	364.50
497	501	271.20	290.20	301.10	325.20	346.10	360.60
502	506	272.90	292.10	303.00	327.30	348.30	368.90
507	510	274.60	293.90	304.90	329.30	350.40	371.10
511	515	276.40	295.80	306.90	331.50	352.80	373.70
516	520						

APPENDIX 14
SOCIAL SECURITY PIA TABLES
(Continued)

Average Monthly Wage		Primary Insurance Amount					
At least	But not more than	Sep 72	Mar 74	Jun 74	Jun 75	Jun 76	Jun 77
\$ 521	\$ 524	\$ 278.10	\$ 297.60	\$ 308.70	\$ 333.40	\$ 354.80	\$ 375.80
525	529	279.80	299.40	310.60	335.50	357.00	378.10
530	534	281.70	301.50	312.70	337.80	359.50	380.80
535	538	283.20	303.10	314.40	339.60	361.40	382.80
539	543	284.90	304.90	316.30	341.70	363.60	385.10
544	548	286.80	306.90	318.40	343.90	366.00	387.60
549	553	288.40	308.60	320.20	345.90	368.10	389.90
554	556	290.10	310.50	322.10	347.90	370.20	392.10
557	560	291.50	312.00	323.60	349.50	371.90	393.90
561	563	293.10	313.70	325.40	351.50	374.00	396.10
564	567	294.60	315.30	327.10	353.30	376.00	398.20
568	570	296.20	317.00	328.80	355.20	378.00	400.40
571	574	297.60	318.50	330.40	356.90	379.80	402.30
575	577	299.20	320.20	332.20	358.80	381.80	404.40
578	581	300.60	321.70	333.70	360.40	383.50	406.20
582	584	302.20	323.40	335.50	362.40	385.60	408.40
585	588	303.60	324.90	337.00	364.00	387.30	410.20
589	591	305.30	326.70	338.90	366.10	389.60	472.60
592	595	306.80	328.30	340.60	367.90	391.50	414.60
596	598	308.30	329.90	342.30	369.70	393.40	416.70
599	602	309.80	331.50	343.90	371.50	395.30	418.70
603	605	311.30	333.10	345.60	373.30	397.20	420.70
606	609	312.80	334.70	347.30	375.10	399.20	422.80
610	612	314.40	336.50	349.00	377.00	401.20	424.90
613	616	315.90	338.10	350.70	378.80	403.10	426.90
617	620	317.40	339.70	352.40	380.60	405.00	428.90
621	623	318.90	341.30	354.00	382.40	406.90	431.00
624	627	320.40	342.90	355.70	384.20	408.80	433.00
628	630	321.90	344.50	357.40	386.00	410.80	435.10
631	634	323.40	346.10	359.00	387.80	412.70	437.10
635	637	325.00	347.80	360.80	389.70	414.70	439.20
638	641	326.60	349.50	362.60	391.70	416.80	441.40
642	644	328.00	351.00	364.10	393.30	418.50	443.20
645	648	329.60	352.70	365.90	395.20	420.50	445.40
649	652	331.00	354.20	367.50	396.90	422.40	447.40
653	656	332.00	335.30	368.60	398.10	423.60	448.60

APPENDIX 14
SOCIAL SECURITY PIA TABLES
(Continued)

Average Month Wage		Primary Insurance Amount					
At least	But not more than	Sep 72	Mar 74	Jun 74	Jun 75	Jun 76	Jun 77
\$ 657	\$ 660	\$ 332.90	\$ 356.30	\$ 369.60	\$ 399.20	\$ 424.80	\$ 449.90
661	665	334.10	357.50	370.90	400.60	426.30	451.50
666	670	335.30	358.80	372.20	402.00	427.80	453.10
671	675	336.50	360.10	373.60	403.50	429.40	454.80
676	680	337.70	361.40	374.90	404.90	430.90	456.40
681	685	338.90	362.70	376.20	406.30	432.40	458.00
686	690	340.10	364.00	377.60	407.90	434.10	459.80
691	695	341.30	365.20	378.90	409.30	435.50	461.20
699	700	342.50	366.50	380.20	410.70	437.00	462.90
701	705	343.70	367.80	381.60	412.20	438.60	464.50
706	710	344.90	369.10	382.90	413.60	440.10	466.10
711	715	346.10	370.40	384.20	415.00	441.60	467.70
716	720	347.30	371.70	385.60	416.50	443.20	469.40
721	725	348.50	372.90	386.90	417.90	444.70	471.00
726	730	349.70	374.20	388.20	419.30	446.20	472.60
731	735	350.90	375.50	389.50	420.70	447.70	474.20
736	740	352.10	376.80	390.90	422.20	449.30	475.90
741	745	353.30	378.10	392.20	423.60	450.80	477.40
746	750	354.50	379.40	393.50	425.00	452.20	478.90
751	755	355.50	380.40	394.70	426.30	453.60	480.40
756	760	356.50	381.50	395.80	427.50	454.90	481.80
761	765	357.50	382.60	396.90	428.70	456.20	483.20
766	770	358.50	383.60	398.00	429.90	457.50	484.50
771	775	359.50	384.70	399.10	431.10	458.70	485.80
776	780	360.50	385.80	400.20	432.30	460.00	487.20
781	785	361.50	386.90	401.30	433.50	461.30	488.60
786	790	362.50	387.90	402.40	434.60	462.50	489.80
791	795	363.50	389.00	403.50	435.80	463.70	491.10
796	800	364.50	390.10	404.60	437.00	465.00	492.50
801	805	365.50	391.10	405.80	438.30	466.40	494.00
806	810	366.50	392.20	406.90	439.50	467.70	495.30
811	815	367.50	393.30	408.00	440.70	469.00	496.70
816	820	368.50	394.30	409.10	441.90	470.20	498.00
821	825	369.50	395.40	410.20	443.10	471.50	499.40
826	830	370.50	396.50	411.30	444.30	472.30	500.70
831	835	371.50	397.60	412.40	445.40	474.00	502.00

APPENDIX 14
SOCIAL SECURITY PIA TABLES
(Continued)

Average Monthly Wage		Primary Insurance Amount					
At least	But not more than	Sep 72	Mar 74	Jun 74	Jun 75	Jun 76	Jun 77
\$ 836	\$ 840	\$ 372.50	\$ 398.60	\$ 413.50	\$ 446.60	\$ 475.20	\$ 503.30
841	845	373.50	399.70	414.60	447.80	476.50	504.70
846	850	374.50	400.80	415.70	449.00	477.80	506.00
851	855	375.50	401.80	416.90	450.30	479.20	507.50
856	860	376.50	402.90	418.00	451.50	480.40	508.80
861	865	377.50	404.00	419.10	452.70	481.70	510.20
866	870	378.50	405.00	420.20	453.90	483.00	511.50
871	875	379.50	406.10	421.30	455.10	484.30	512.90
876	880	380.50	407.20	422.40	456.20	485.40	514.10
881	885	381.50	408.30	423.50	457.40	486.70	515.50
886	890	382.50	409.30	424.60	458.60	488.00	516.80
891	895	383.50	410.40	425.70	459.80	489.30	518.20
896	900	384.50	411.50	426.80	461.00	490.60	519.60
901	905	385.50	412.50	428.00	462.30	491.90	521.00
906	910	386.50	413.60	429.10	463.50	493.20	522.30
911	915	387.50	414.70	430.20	464.70	494.50	523.70
916	920	388.50	415.70	431.30	465.90	495.80	525.10
921	925	389.50	416.80	432.40	467.00	496.90	526.30
926	930	390.50	417.90	433.50	468.20	498.20	527.60
931	935	391.50	419.00	434.60	469.40	499.50	529.00
936	940	392.50	420.00	435.70	470.60	500.80	530.40
941	945	393.50	421.10	436.80	471.80	502.00	531.70
946	950	394.50	422.20	437.00	473.00	503.30	533.00
951	955	395.50	423.20	439.10	474.30	504.70	534.50
956	960	396.50	424.30	440.20	475.50	506.00	535.90
961	965	397.50	425.40	441.30	476.70	507.30	537.30
966	970	398.50	426.40	442.40	477.80	508.40	538.40
971	975	399.50	427.50	443.50	479.00	509.70	539.80
976	980	400.50	428.60	444.60	480.20	511.00	541.20
981	985	401.50	429.70	445.70	481.40	512.30	542.60
986	990	402.50	430.70	446.80	482.60	513.50	543.80
991	995	403.50	431.80	447.90	483.80	514.80	545.20
996	1000	404.50	432.90	449.00	485.00	516.10	546.60
1001	1005		433.90	450.00	486.00	517.20	547.80
1006	1010		434.90	451.00	487.10	518.30	548.90
1011	1015		435.90	452.00	488.20	519.50	550.20

APPENDIX 14
SOCIAL SECURITY PIA TABLES
(Continued)

Average Monthly Wage		Primary Insurance Amount					
At least	But not more than	Sep 72	Mar 74	Jun 74	Jun 75	Jun 76	Jun 77
\$ 1016	\$ 1020	\$	\$ 436.90	\$ 453.00	\$ 489.30	\$ 520.70	\$ 551.50
1021	1025		437.90	454.00	490.40	521.80	552.60
1026	1030		438.90	455.00	491.40	522.90	553.80
1031	1035		439.90	456.00	492.50	524.10	555.10
1036	1040		440.90	457.00	493.60	525.20	556.20
1041	1045		441.90	458.00	494.70	526.40	557.30
1046	1050		442.90	459.00	495.80	527.60	558.80
1051	1055		443.90	460.00	496.90	528.60	559.80
1056	1060		444.90	461.00	497.90	529.80	561.10
1061	1065		445.90	462.00	499.00	531.00	562.40
1066	1070		446.90	463.00	500.10	532.20	563.60
1071	1075		447.90	464.00	501.20	533.30	564.80
1076	1080		448.90	465.00	502.20	534.40	566.00
1081	1085		449.90	466.00	503.30	535.60	567.30
1086	1090		450.90	467.00	504.40	536.70	568.40
1091	1095		451.90	468.00	505.50	537.90	569.70
1096	1100		452.90	469.00	506.60	539.10	571.00

Notes:

1. Use \$76.00 to compute Social Security Income for PIA less than the minimum amount.
2. MOTHER'S BENEFIT (Any Age): 75 percent of PIA (with only one dependent child).
3. Widow or Widower's Benefit (without dependent children).

- a. Age 62- 82.9% of PIA.
- b. Between 62 and 65: 100% of PIA less 19/40 of 1% for each month the widow or widower is under age 65.
- c. Age 65 and over: 100% of PIA.

APPENDIX 15

OFFSET FACTORS

AGE OF SPOUSE ON DATE ANNUITY COMMENCES	NO. MOS UNDER 65	PERCENTAGE FACTOR OR OF 100% PIA	INCREASE THE PRESENT OFFSET OF 82.5% BY
65	0	0	.212121
64yrs 11 mos	1	.995250	.206364
10 mos	2	.9905	.200606
9 mos	3	.98575	.194848
8 mos	4	.9810	.189091
7 mos	3	.97625	.183333
6 mos	6	.9715	.177576
5 mos	7	.96675	.171818
4 mos	8	.962	.166061
3 mos	9	.95725	.160303
2 mos	10	.9525	.154545
1 mo	11	.94775	.148788
64 yrs	12	.943	.143030
63 yrs 11 mos	13	.93825	.137273
10 mos	14	.9335	.131515
9 mos	15	.92875	.125758
8 mos	16	.924	.120000
7 mos	17	.91925	.114242
6 mos	18	.9145	.108485
5 mos	19	.90975	.102727
4 mos	20	.903	.096970

AGE OF SPOUSE ON DATE ANNUITY COMMENCES	NO. MOS UNDER 65	PERCENTAGE FACTOR OR OF 100% PIA	INCREASE THE PRESENT OFFSET OF 82.5% BY
3 mos	21	.90025	.091212
2 mos	22	.8955	.085455
1 mo	22	.89075	.079697
63 yrs	24	.886	.073939
62 yrs 11 mos	25	.88125	.068182
10 mos	26	.8765	.062424
9 mos	27	.87175	.056667
8 mos	28	.867	.050909
7 mos	29	.86225	.045152
6 mos	30	.8575	.039394
5 mos	31	.85275	.033636
4 mos	32	.848	.027879
3 mos	33	.84325	.022121
2 mos	34	.8385	.016364
1 mo	35	.83375	.010606
62 yrs	36	.829	.004848

APPENDIX 17

COPY

SOCIAL SECURITY ADMINISTRATION

AND

DEPARTMENT OF DEFENSE

Memorandum of Understanding

on the

Survivors Benefit Plan

(Public Law 92-425)

GENERAL

This Memorandum of Understanding establishes the procedures to be used by the Military Services and the Social Security Administration to obtain social security covered military earnings for use in adjudicating survivor annuities payable by the Department of Defense pursuant to Public Law 92-425, September 21, 1972.

ANNUITY REDUCTION

Conditions under which a survivor annuity payable by the Department of Defense shall be reduced are set forth in Title 10, United States Code, Chapter 73, Section 1451.

PROCEDURES

1. The Military Services shall request from the Social Security Administration, social security earnings that are attributable to active military service on an “as needed basis” only. The agreement covering the type of services and the estimated cost of furnishing these services are contained in the attached Social Security Form SSA-1034, Agreement Covering Reimbursable Services. DD Form 1947, Request for Social Security Covered Military Earnings Information, shall be used for this purpose. The member’s name, social security number, job number, period for which data are needed, and the employer identification number(s) shall be completed by the requesting military Finance Center. Entries on the DD Form 1947 may be typed or handwritten.

2. The Social Security Administration shall use Form OAR-1009 and/or Form OAR-1009a, Earnings Record Transcription, to record social security covered military earnings that are attributable to military service. Data furnished should relate to the period of request as shown on DD Form 1947. When data are not of record for the period or a portion thereof, the symbol “N/R” (no record) shall be entered. Entries on the Form OAR-1009, and Form OAR-1009a may be typed or handwritten. The Social Security Administration shall validate the DD Form 1947, Form OAR-1009, and Form OAR-1009a, by entry of their stamp, “The requested information is attached, Social Security Administration per (identification of Social Security Administration employee). “The Form OAR-1009 or Form OAR-1009a will be attached to DD Form 1947 and mailed to the preindicated service. The Social Security Administration will accept a maximum of 200 search requests per month for all Services on a 4-6 weeks processing schedule. A maximum of an additional 200 requests will be handled on an available time basis. Since no priority can be assigned to these additional requests, at least 8-12 weeks will be allowed for processing.

3. The "Remarks" block of DD Form 1947 may be used by the Military Services or the Social Security Administration. Any information or comments which may be useful in the data exchange maybe entered in this block.

SIGNED

DATE Sep 17, 1975

/S/J.B. Cardwell
Social Security Administration

DATE Jan 30, 1976

/S/Joseph P. Welsh
Department of Defense

MILITARY EMPLOYER IDENTIFICATION NUMBERS
(ACTIVE)

<u>SERVICE</u>	<u>EIN'S</u>	<u>EFFECTIVE DATE</u>
Air Force	*84-0464669	1957-1958
	*84-9990000	1959 to date
Army	35-0930434	1957-1958
	35-9990000	1959 to date
Navy	34-0812882	1957-1958
	34-9990000	1959 to date
Marine Corps	53-0235327	1957-1958
	53-9990000	1959 to date
Coast Guard	52-0233902	1957-1958
	52-9980000	1959 to date

APPENDIX 18*ANNUAL INCOME RATES FOR MINIMUM INCOME****ANNUITIES UNDER SURVIVOR BENEFIT PLAN (SBP)****MINIMUM INCOME ANNUITY CHANGES**

MAXIMUM MONTHLY ANNUITY PAYABLE	MINIMUM ANNUAL INCOME	EFFECTIVE FROM
\$116.67	1,400	21 Sep 1972
175.00	2,100	1 Oct 1976
195.00	2,340	1 Oct 1978
214.67	2,576	1 Jun 1979
245.83	2,950	1 Jun 1980
273.75	3,285	1 Jun 1981
294.25	3,531	1 Jun 1982
304.67	3,656	1 Dec 1983
315.50	3,786	1 Dec 1984
325.42	3,905	1 Dec 1985
329.75	3,957	1 Dec 1986
343.75	4,125	1 Dec 1987
357.67	4,292	1 Dec 1988
374.67	4,496	1 Dec 1989
395.08	4,741	1 Dec 1990
409.83	4,918	1 Dec 1991
422.25	5,067	1 Dec 1992
433.33	5,200	1 Dec 1993

APPENDIX 19

SOCIAL SECURITY OFFSET

to

SURVIVOR BENEFIT PLAN
(Eligibility Year Before 1979)

Worksheet for calculating social security offset for members whose eligibility year is before 1979 and whose offset year is 1979 or later.

Definitions:

1. **Member** is the retired military person.
2. **Starting Year** is 1957 or the year the member joined the service, whichever is later.
3. **Ending Year** is the year the member turned or would have turned age 65.
4. **Eligibility Year** is the year in which the member turned age 62 or the year the member died, whichever is earlier.
5. Not applicable.
6. **Elapsed Years:**
 - a. For a male who turned or would have turned **age 62 in 1975 or later** and all female members, is equal to the number of years obtained by subtracting (the later of 1951 or the year the member turned age 22) from (the year the member turned or would have turned age 62).
 - b. For a **male member** who turned or would have turned **age 62 in 1973 or 1974**, is equal to 24.
 - c. For a **male member** who turned or would have turned **age 62 before 1973**, is equal to the number of years obtained by subtracting 1951 from the year the member turned or would have turned age 65.
7. **Offset Year** is the year the offset goes into effect.
8. **Free Wage Credits** are gratuitous wage credits that must be included in calculating the SBP offset. For years 1957 through 1977, credit \$300 for each calendar quarter in which he or she received **any** basic pay for active duty or active duty for training. For 1978 and later, credit increments of \$100 up to a maximum of \$1,200 per calendar year. The \$100 increments are granted for each \$300 of reported wages as follows: (1) No credit for wages less than \$300. (2) One credit (\$100) if wages are between \$300 and \$600. (3) Two credits (\$200) if wages are between \$600 and \$900. (4) And so on up to a maximum of \$1,200 per calendar year.

Step 1

Calculate: Eligibility Year =
 Starting Year =
 Ending Year =
 Elapsed Years =
 Offset Year =

(If Eligibility Year is 1979 or later, this worksheet should not be used.)

Step 2

List every year from the starting year to the ending year in Column (A).
NOTE: See definitions of ‘starting’ and ‘ending.’

Step 3

Record member’s active duty pay in column (B).
Record zero for all remaining years through the ‘ending year.’

Step 4

Calculate and record free wage credits in column (C).

Step 5

Add columns (B) and (C) and record in column (D). Round to nearest dollar (round \$.50 up).

Step 6

List maximum FICA wages in column (E). See Appendix 13 for maximum FICA wages.

Step 7

Record in column (F) the lesser of column (D) or column (E).

Step 8

Not applicable.

Step 9

Not applicable.

Step 10

- (a) Compute n = elapsed years minus five
- (b) Cross out all but highest n values in column (F)
- (c) Total remaining n values
If n is zero or less, the Social Security Offset is zero.

Step 11

- (a) Months = (n) X 12 = _____
- (b) Members AME = $\frac{\text{Step 10(c)}}{\text{Step 11(a)}}$ = _____
(round **down** to nearest dollar)

Step 12

Determine the member’s AME PIA from the attached table I.

- (a) If the AME from Step 11(b) is **less than** the minimum average monthly wage listed in table I (\$76), then:

$$\text{Member's AME PIA} = \frac{\text{Step 11(b)}}{\$76 \text{ (table I minimum AME)}} \times \$121.80 \text{ (table I PIA for minimum AME)}$$

$$= \frac{\text{_____}}{\text{_____}}$$

(Round **up** to the nearest dime)

- (b) Otherwise, read the member’s AME PIA directly from:
table I = _____

Step 13

List Social Security CPI’s from June 1979 up to and including offset year. (If CPI is 9.9% list it as 1.099.) If the time of offset is before the Social Security CPI release date then assume that the CPI in the offset year is zero. Multiply these values together to obtain one value. Round to 3 decimals.

Step 14

Member's AME PIA = Step 12 times Step 13 = _____
 (round **up** to nearest dime)

Step 15

If widow and one child:
 Social Security offset = Step 14 times .75 = _____
 (round **up** to nearest dime)

Step 16

Social Security offset = Step 14 times factor defined below = \$ _____.
 (round value down to nearest dollar)

FACTOR SELECTION

(1) If the widow **does not** provide evidence from the Social Security Administration that the decedent was in receipt of **non-disability** Social Security benefits prior to age 65, select the spouse age-related reduction factor from the following chart and use in formula.

SPOUSE AGE-RELATED REDUCTION FACTOR

<u>Spouse Age</u>	<u>Factor for Offset</u>	<u>Spouse Age</u>	<u>Factor for Offset</u>	<u>Spouse Age</u>	<u>Factor for Offset</u>
65 & over	1.00000	64 yrs, 0 mo	.94300	63 yrs 0 mo	.88600
64 yrs, 11 mos	.99525	63 yrs, 11 mos	.93825	62 yrs, 11 mos	.88125
64 yrs, 10 mos	.99050	63 yrs, 10 mos	.93350	62 yrs, 10 mos	.87650
64 yrs, 9 mos	.98575	63 yrs, 9 mos	.92875	62 yrs, 9 mos	.87175
64 yrs, 8 mos	.98100	63 yrs, 8 mos	.92400	62 yrs, 8 mos	.86700
64 yrs, 7 mos	.97625	63 yrs, 7 mos	.91925	62 yrs, 7 mos	.86225
64 yrs, 6 mos	.97150	63 yrs, 6 mos	.91450	62 yrs, 6 mos	.85750
64 yrs, 5 mos	.96675	63 yrs, 5 mos	.90975	62 yrs, 5 mos	.85275
64 yrs, 4 mos	.96200	63 yrs, 4 mos	.90500	62 yrs, 4 mos	.84800
64 yrs, 3 mos	.95725	63 yrs, 3 mos	.90025	62 yrs, 3 mos	.84325
64 yrs, 2 mos	.95250	63 yrs, 2 mos	.89550	62 yrs, 2 mos	.83850
64 yrs, 1 mo	.94775	63 yrs, 1 mo	.89075	62 yrs, 1 mo	.83375
				62 yrs, 0 mo	.82900

(2) If the widow **does** provide evidence from the Social Security Administration (SSA) that the decedent was in receipt of **non-disability** Social Security benefits prior to age 65, calculate the decedent's reduction factor using one of the following methods and information supplied by SSA:

(a) divide the actual benefit payable (DMBA) by the death PIA. If decedent lived to age 65 or older, this data must be for a month subsequent to the January following the date of death.

(b) if data is not available for (a), determine the number of months (M) for which the decedent received a reduced benefit prior to age 65. Calculate, to five digits, the factor using the following formula:

factor = (1.0) minus (M/180)
 example: 3 months early = (1.0) - (3/180) = .98333

(c) insert answer from (a) or (b) here

(d) insert the greater of .825 or (c) here.

(e) insert factor obtained in Step 16(1) above here.

(f) insert lesser of (d) or (e) here and use in formula.

Step 17

(a) Net monthly SBP annuity before Social Security offset but after all other reductions = _____

(b) .4 times Step 17(a) = _____
(round **down** to nearest dime)

(c) Total from either Step 15 or Step 16 = _____

(d) Social Security offset equals lesser of Step 17(c) or Step 17 (b) = _____

SOCIAL SECURITY OFFSET CALCULATION SHEET

(A) Year (Starting to Ending)	(B) Member's Active Duty Pay	(c) Free Wage Credit	(D) Member's Total Pay Credit (B) + (C)	(E) Maximum FICA Wage	(F) FICA Wage = Lesser of (D) or (E)
1.					
2.					
3.					
4.					
5.					
6.					
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11.					
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47.					
48.					
49.					
50.					

TABLE I

PRIMARY INSURANCE AMOUNTS FOR EACH AVERAGE MONTHLY WAGE

Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA
Up to \$76	\$121.80	\$179-183	\$211.90	\$343-347	\$304.20
77-78	123.70	184-188	214.40	348-351	307.10
79-80	126.30	189-193	217.20	352-356	309.40
81-81	128.90	194-197	219.90	357-261	312.40
82-83	131.20	198-202	222.40	362-365	314.90
84-85	134.00	203-207	225.30	366-370	317.30
86-87	136.50	208-211	228.00	371-375	320.20
88-89	138.60	212-216	230.10	376-379	322.90
90-90	141.40	217-221	233.00	380-384	325.60
91-92	143.80	222-225	235.60	385-389	328.00
93-94	146.20	226-230	238.50	390-393	330.50
95-96	148.50	231-235	241.10	394-398	333.40
97-97	151.30	236-239	244.00	399-403	336.00
98-99	153.70	240-244	246.30	404-407	338.90
100-101	156.70	245-249	248.70	408-412	341.10
102-102	158.90	250-253	251.80	413-417	343.50
103-104	161.60	254-258	254.30	418-421	346.00
105-106	164.60	259-263	256.50	422-426	348.70
107-107	167.30	264-267	259.60	427-431	351.10
108-109	169.80	268-272	262.10	432-436	353.20
110-113	172.50	273-277	264.90	437-440	356.20
114-118	174.90	278-281	267.40	441-445	358.40
119-122	177.60	282-286	270.00	446-450	360.80
123-127	180.40	287-291	272.90	451-454	363.50
128-132	183.00	292-295	275.10	455-459	365.90
133-136	185.50	296-300	278.10	460-464	368.30
137-141	188.00	301-305	280.70	465-468	370.60
142-146	190.80	306-309	283.10	469-473	373.50
147-150	193.60	310-314	286.00	474-478	375.60
151-155	195.90	315-319	288.30	479-482	378.00
156-160	198.70	320-323	291.00	483-487	380.70
161-164	201.30	324-328	293.80	488-492	383.10
165-169	203.90	329-333	296.20	493-496	385.50
170-174	206.70	334-337	299.30	497-501	388.20
175-178	209.10	338-342	301.40	502-506	390.50

TABLE I
(Continued)
PRIMARY INSURANCE AMOUNTS FOR EACH AVERAGE MONTHLY WAGE

Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA
\$507-510	\$392.90	\$642-644	\$472.10	\$811-815	\$529.00
511-515	395.30	645-648	474.40	816-820	530.40
516-520	398.00	649-652	476.50	821-825	531.90
521-524	400.30	653-656	477.80	826-830	533.30
525-529	402.70	657-660	479.20	831-835	534.70
530-534	405.60	661-665	480.90	836-840	536.10
535-538	407.70	666-670	482.60	841-845	537.60
539-543	410.20	671-675	484.40	846-850	538.90
544-548	412.80	676-680	486.10	851-855	540.50
549-553	415.30	681-685	487.80	856-860	541.90
554-556	417.60	686-690	489.70	861-865	543.40
557-560	419.60	691-695	491.20	866-870	544.90
561-563	421.90	696-700	492.90	871-875	546.60
564-567	424.10	701-705	494.70	876-880	547.60
568-570	426.50	706-710	496.40	881-885	549.10
571-574	428.50	711-715	498.20	886-890	550.40
575-577	430.70	716-720	500.00	891-895	551.90
578-581	432.70	721-725	501.70	896-900	553.40
582-584	435.00	726-730	503.40	901-905	554.90
585-588	436.90	731-735	505.10	906-910	556.30
589-591	439.50	736-740	506.90	911-915	557.80
592-595	441.60	741-745	508.50	916-920	559.30
596-598	443.80	746-750	510.10	921-925	560.60
599-602	446.00	751-755	511.70	926-930	561.90
603-605	448.10	756-760	513.20	931-935	563.40
606-609	450.30	761-765	514.70	936-940	564.90
610-612	452.60	766-770	516.00	941-945	566.30
613-616	454.70	771-775	517.40	946-950	567.70
617-620	456.80	776-780	518.90	951-955	569.30
621-623	459.10	781-785	520.40	956-960	570.80
624-627	461.20	786-790	521.70	961-965	572.30
628-630	463.40	791-795	523.10	966-970	573.40
631-634	465.60	796-800	524.60	971-975	574.90
635-637	467.80	801-805	526.20	976-980	576.40
638-641	470.10	806-810	527.50	981-985	577.90

TABLE I
(Continued)
PRIMARY INSURANCE AMOUNTS FOR EACH AVERAGE MONTHLY WAGE

Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA
\$ 986-990	\$579.20	\$1,161-1,165	\$624.90	\$1,336-1,340	\$666.20
991-995	580.70	1,166-1,170	626.20	1,341-1,345	667.40
996-1,000	582.20	1,171-1,175	627.50	1,346-1,350	668.40
1,001-1,005	583.50	1,176-1,180	628.70	1,351-1,355	669.60
1,006-1,010	584.60	1,181-1,185	629.97	1,356-1,360	670.70
1,011-1,015	586.00	1,186-1,190	631.20	1,361-1,365	671.90
1,016-1,020	587.40	1,191-1,195	632.30	1,366-1,370	672.90
1,021-1,025	588.60	1,196-1,200	633.50	1,371-1,375	674.10
1,026-1,030	589.80	1,201-1,205	634.70	1,376-1,380	675.20
1,031-1,035	591.20	1,206-1,210	636.00	1,381-1,385	676.20
1,036-1,040	592.40	1,211-1,215	637.10	1,386-1,390	677.30
1,041-1,045	592.80	1,216-1,220	638.20	1,391-1,395	678.30
1,046-1,050	595.20	1,221-1,225	639.50	1,396-1,400	679.40
1,051-1,055	596.20	1,226-1,230	640.80	1,401-1,405	680.50
1,056-1,060	597.60	1,231-1,235	641.90	1,406-1,410	681.50
1,061-1,065	599.00	1,236-1,240	643.10	1,411-1,415	682.60
1,066-1,070	600.30	1,241-1,245	644.40	1,416-1,420	683.70
1,071-1,075	601.60	1,246-1,250	645.50	1,421-1,425	684.70
1,076-1,080	602.80	1,251-1,255	646.70	1,426-1,430	685.80
1,081-1,085	604.20	1,256-1,260	647.90	1,431-1,435	686.90
1,086-1,090	605.40	1,261-1,265	649.20	1,436-1,440	687.90
1,091-1,095	606.80	1,266-1,270	650.30	1,441-1,445	689.00
1,096-1,100	608.20	1,271-1,275	651.50	1,446-1,450	690.10
1,101-1,105	609.20	1,276-1,280	652.70	1,451-1,455	691.10
1,106-1,110	610.60	1,281-1,285	653.70	1,456-1,460	692.20
1,111-1,115	612.00	1,286-1,290	654.90	1,461-1,465	693.30
1,116-1,120	613.20	1,291-1,295	656.10	1,466-1,470	694.30
1,121-1,125	614.60	1,296-1,300	657.20	1,471-1,475	695.40
1,126-1,130	615.80	1,301-1,305	658.30	1,476-1,480	696.40
1,131-1,135	617.10	1,306-1,310	659.40	1,481-1,485	697.40
1,136-1,140	618.40	1,311-1,315	660.60	1,486-1,490	698.40
1,141-1,145	619.80	1,316-1,320	661.70	1,491-1,495	699.40
1,146-1,150	621.10	1,321-1,325	662.80	1,496-1,500	700.40
1,151-1,155	622.20	1,326-1,330	664.00	1,501-1,505	701.40
1,156-1,160	623.60	1,331-1,335	665.00	1,506-1,510	702.40

TABLE I
(Continued)
PRIMARY INSURANCE AMOUNTS FOR EACH AVERAGE MONTHLY WAGE

Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA	Average Monthly Wage	Dec 1978 PIA
\$1,511-1,515	\$703.40	\$1,686-1,690	\$738.40	\$1,861-1,865	\$773.40
1,516-1,520	704.40	1,691-1,695	739.40	1,866-1,870	774.40
1,521-1,525	705.40	1,696-1,700	740.40	1,871-1,875	775.40
1,526-1,530	706.40	1,701-1,705	741.40	1,876-1,880	776.40
1,531-1,535	707.40	1,706-1,710	742.20	1,881-1,885	777.40
1,536-1,540	708.40	1,711-1,715	743.40	1,886-1,890	778.40
1,541-1,545	709.40	1,716-1,720	744.40	1,891-1,895	779.40
1,546-1,550	710.40	1,721-1,725	745.40	1,896-1,900	780.40
1,551-1,555	711.40	1,726-1,730	746.40	1,901-1,905	781.40
1,556-1,560	712.40	1,731-1,735	747.40	1,906-1,910	782.40
1,561-1,565	713.40	1,736-1,740	748.40		
1,566-1,570	714.40	1,741-1,745	749.40		
1,571-1,575	715.40	1,746-1,750	750.40		
1,576-1,580	716.40	1,751-1,755	751.40		
1,581-1,585	717.40	1,756-1,760	752.40		
1,586-1,590	718.40	1,761-1,765	753.40		
1,591-1,595	719.40	1,766-1,770	754.40		
1,596-1,600	720.40	1,771-1,775	755.40		
1,601-1,605	721.40	1,776-1,780	756.40		
1,606-1,610	722.40	1,781-1,785	757.40		
1,611-1,615	723.40	1,786-1,790	758.40		
1,616-1,620	724.40	1,791-1,795	759.40		
1,621-1,625	725.40	1,796-1,800	760.40		
1,626-1,630	726.40	1,801-1,805	761.40		
1,631-1,635	727.40	1,806-1,810	762.40		
1,636-1,640	728.40	1,811-1,815	763.40		
1,641-1,645	729.40	1,816-1,820	764.40		
1,646-1,650	730.40	1,821-1,825	765.40		
1,651-1,655	731.40	1,826-1,830	766.40		
1,656-1,660	732.40	1,831-1,835	767.40		
1,661-1,665	733.40	1,836-1,840	768.40		
1,666-1,670	734.40	1,841-1,845	769.40		
1,671-1,675	735.40	1,846-1,850	770.40		
1,676-1,680	736.40	1,851-1,855	771.40		
1,681-1,685	737.40	1,856-1,860	772.40		

APPENDIX 20

SOCIAL SECURITY OFFSET

to

SURVIVOR BENEFIT PLAN
(Eligibility Year 1979 or Later)

Work sheet for calculating social security offset for members whose eligibility year is after 1978.

Definitions:

1. **Member** is the retired military person.
2. **Starting Year** is 1957 or the year the member joined the service, whichever is later.
3. **Ending Year** is the year the member turned or would have turned age 65.
4. **Eligibility Year** is the year in which the member turned age 62 or the year the member died, whichever is earlier.
5. **Indexing Year** is equal to the eligibility year minus two.
6. **Elapsed Years** is equal to the number of years obtained by subtracting (the later of 1951 or the year the member turned age 22) from (the year the member turned or would have turned age 62). If the member was born in 1929 or later, this will equal 40.
7. **Offset Year** is the year the offset goes into effect.
8. **Free Wage Credits** are gratuitous wage credits that must be included in calculating the SBP offset. For years 1957 through 1977, credit \$300 for each calendar quarter in which he or she received **any basic** pay for active duty or active duty for training. For 1978 and later, credit increments of \$100 up to a maximum of \$1,200 per calendar year. The \$100 increments are granted for each \$300 of reported wages as follows:
 - a. No Credit for wages less than \$300.
 - b. One credit (\$100) if wages are between \$300 and \$600.
 - c. Two credits (\$200) if wages are between \$600 and \$900.
 - d. And soon up to a maximum of \$1,200 per calendar year.
9. **Indexing Factors** are derived by dividing the average wage of the indexing year by the average wage in the specific year. For all years greater than and including the indexing year, the indexing factors equal one.
10. **Bend Points** are the Social Security bend points associated with the eligibility year.

Step 1

Calculate: Eligibility Year =
 Starting Year =
 Ending Year =
 Elapsed Years =
 Offset Year =

(If Eligibility Year is 1978 or earlier, this worksheet should not be used.)

Step 2

List every year from the starting year to the ending year in Column (A).
 NOTE: See definitions of 'starting' and 'ending.'

Step 3

Record member's active duty pay in column (B).
 Record zero for all remaining years through the 'ending year.'

Step 4

Calculate and record free wage credits in column (C).

Step 5

Add columns (B) and (C) and record in column (D). Round to nearest dollar (round \$.50 up)

Step 6

List maximum FICA wages in column (E). See Appendix 13 for maximum FICA wages.

Step 7

Record in column (F) the lesser of column (D) or column (E).

Step 8

Calculate and record the indexing factors in column (G).

Step 9

Multiply column (F) by column (G) and record in column (H).

Step 10

- (a) Compute $n = \text{elapsed years} - 5$
- (b) Cross out all but highest n values in column (H)
- (c) Total remaining n values. If n is zero or less, the Social Security Offset is zero.

Step 11

- (a) Months = $(n) \times 12$ =
- (b) Members AIME = $\frac{\text{Step 10(C)}}{\text{Step 11(a)}}$ =

(round **down** to nearest dollar)

Step 12

Place bend point one in following formula where 'A' appears and bend point two in formula where 'B' appears.

$$\begin{aligned}
 &.90 \frac{A \text{ of AIME}}{\text{times AIME over A through B}} = && \$ \underline{\hspace{2cm}} \\
 &.32 \text{ times AIME over A through B} && \$ \underline{\hspace{2cm}} \\
 &.15 \text{ times AIME over B} = && \$ \underline{\hspace{2cm}} \\
 &\text{(round down to the nearest dime) Total} = && \$ \underline{\hspace{2cm}}
 \end{aligned}$$

Step 13

List Social Security CPI's from eligibility year up to and including offset year. (If CPI is 9.9% list it as 1.099.) If the eligibility year equals the offset year, only one CPI will be listed. If the time of offset is before the Social Security CPI release date then assume that the CPI in the offset year is zero.

Multiply these values together to obtain one value. Round to 3 decimals.

Step 14

(a) Member's AIME PIA = Step 12 times Step 13 = \$ _____
 (round down to the nearest dime)

Step 15

If widow and one child:

Social Security offset = Step 14 times .75 = _____
 (round down to nearest dollar)

Step 16

Social Security offset = Step 14 factor defined below = \$ _____
 (round value down to nearest dollar)

FACTOR SELECTION

(1) If the widow **does not** provide evidence from the Social Security Administration that the decedent was in receipt of **nondisability** Social Security benefits prior to age 65, select the spouse age-related reduction factor from the following chart and use in formula.

SPOUSE AGE RELATED REDUCTION FACTOR

<u>Spouse Age</u>	<u>Factor for Offset</u>	<u>Spouse Age</u>	<u>Factor for Offset</u>	<u>Spouse Age</u>	<u>Factor for Offset</u>
65 & over	1.00000	64 yrs, 0 mo	.94300	63 yrs, 0 mo	.88600
64 yrs, 11 mos	.99525	63 yrs, 11 mos	.93825	62 yrs, 11 mos	.88125
64 yrs, 10 mos	.99050	63 yrs, 10 mos	.93350	62 yrs, 10 mos	.87650
64 yrs, 9 mos	.98575	63 yrs, 9 mos	.92875	62 yrs, 9 mos	.87175
64 yrs, 8 mos	.98100	63 yrs, 8 mos	.92400	62 yrs, 8 mos	.86700
64 yrs, 7 mos	.97625	63 yrs, 7 mos	.91925	62 yrs, 7 mos	.86225
64 yrs, 6 mos	.97150	63 yrs, 6 mos	.91450	62 yrs, 6 mos	.85750
64 yrs, 5 mos	.96075	63 yrs, 5 mos	.90975	62 yrs, 5 mos	.85275
64 yrs, 4 mos	.96200	63 yrs, 4 mos	.90500	62 yrs, 4 mos	.84800
64 yrs, 3 mos	.95725	63 yrs, 3 mos	.90025	62 yrs, 3 mos	.84325
64 yrs, 2 mos	.95250	63 yrs, 2 mos	.89550	62 yrs, 2 mos	.83850
64 yrs, 1 mo	.94775	63 yrs, 1 mo	.89075	62 yrs, 1 mo	.83375
		62 yrs, 0 mo	.82900		

(2) If the widow **does** provide evidence from the Social Security Administration (SSA) that the decedent was in receipt of **non-disability** Social Security benefits prior to age 65, calculate the decedent's reduction factor using one of the following methods and information supplied by SSA:

(a) divide the actual benefit payable (DMBA) by the death PIA. If decedent lived to age 65 or older, this data must be for a month subsequent to the January following the date of death.

(b) if data is not available for (a), determine the number of months (M) for which the decedent received a reduced benefit prior to age 65. Calculate, to five digits, the factor using the following formula:

$$\text{factor} = (1.0) \text{ minus } (M/180)$$

$$\text{example: 3 months early} = (1.0) \text{ minus } (3/180) = .98333$$

(c) insert answer from (a) or (b) here.

(d) insert the greater of .825 or (c) here.

(e) insert factor obtained in Step 16(1) above here.

(f) insert lesser of (d) or (e) here and use in formula.

Step 17

(a) Net monthly SBP annuity before Social Security offset but after all other reductions = _____

(b) .4 times Step 17(a) = _____
(round **down** to nearest dime)

(c) Total from either Step 15 or Step 16 = _____

(d) Social Security offset equals lesser of Step 17(c) or Step 17 (b) = _____

SOCIAL SECURITY OFFSET CALCULATION SHEET

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Year (Starting to Ending)	Member's Active Duty Pay	Free Wage Credit	Member's Total Pay Credit (B) + (C)	Maximum FICA Wage	FICA Wage -Lesser of (D) or (E)	Indexing Factor	Member's Indexed Annual Military Earnings

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.
- 21.
- 22.
- 23.
- 24.
- 25.
- 26.
- 27.
- 28.
- 29.
- 30.
- 31.
- 32.
- 33.
- 34.
- 35.

APPENDIX 21

AVERAGED MONTHLY CONSUMER PRICE INDEX (CPI)

For use in calculation of retired pay catch up at age 62 under 10 U.S.C. 1410.
 Sample calculations shown at 398 through 401.

3rd Qtr 2nd Qtr	FY86 CY86	4th Qtr 3rd Qtr	FY86 CY86	1st Qtr 4th Qtr	FY87 CY86	2nd Qtr 1st Qtr	FY87 CY87
Apr 86	320.4	Jul 86	322.9	Oct 86	325.0	Jan 87	327.7
May 86	321.4	Aug 86	323.4	Nov 86	325.4	Feb 87	329.0
Jun 86	<u>323.0</u>	Sep 86	<u>324.9</u>	Dec 86	<u>325.7</u>	Mar 87	<u>330.5</u>
AVG CPI	321.6	AVG CPI	323.7	AVG CPI	325.4	AVG CPI	329.1
3rd Qtr 2nd Qtr	FY87 CY87	4th Qtr 3rd Qtr	FY87 CY87	1st Qtr 4th Qtr	FY88 CY87	2nd Qtr 1st Qtr	FY88 CY88
Apr 87	332.3	Jul 87	112.7	Oct 87	114.1	Jan 88	114.5
May 87	333.4	Aug 87	113.3	Nov 87	114.3	Feb 88	114.7
Jun 87	<u>334.9</u>	Sep 87	<u>113.8</u>	Dec 87	<u>114.2</u>	Mar 88	<u>115.1</u>
AVG CPI	333.3	AVG CPI	113.3	AVG CPI	114.2	AVG CPI	114.8
3rd Qtr 2nd Qtr	FY88 CY88	4th Qtr 3rd Qtr	FY88 CY88	1st Qtr 4th Qtr	FY89 CY88	2nd Qtr 1st Qtr	FY89 CY89
Apr 88	115.7	Jul 88	117.2	Oct 88	118.9	Jan 89	119.7
May 88	116.2	Aug 88	117.7	Nov 88	119.0	Feb 89	120.2
Jun 88	<u>116.7</u>	Sep 88	<u>118.5</u>	Dec 88	<u>119.2</u>	Mar 89	<u>120.8</u>
AVG CPI	116.2	AVG CPI	117.8	AVG CPI	119.0	AVG CPI	120.2
3rd Qtr 2nd Qtr	FY89 CY89	4th Qtr 3rd Qtr	FY89 CY89	1st Qtr 4th Qtr	FY90 CY89	2nd Qtr 1st Qtr	FY90 CY90
Apr 89	121.8	Jul 89	123.2	Oct 89	124.2	Jan 90	125.9
May 89	122.5	Aug 89	123.2	Nov 89	124.2	Feb 90	126.4
Jun 89	<u>122.8</u>	Sep 89	<u>123.6</u>	Dec 89	<u>124.6</u>	Mar 90	<u>127.1</u>
AVG CPI	122.4	AVG CPI	123.3	AVG CPI	124.4	AVG CPI	126.5
3rd Qtr 2nd Qtr	FY86 CY86	4th Qtr 3rd Qtr	FY86 CY86	1st Qtr 4th Qtr	FY87 CY86	2nd Qtr 1st Qtr	FY87 CY87
Apr 90	127.3	Jul 90	128.7	Oct 90	131.9	Jan 91	132.8
May 90	127.5	Aug 90	129.9	Nov 90	132.2	Feb 91	132.8
Jun 90	<u>128.3</u>	Sep 90	<u>131.1</u>	Dec 90	<u>132.2</u>	Mar 91	<u>133.0</u>
AVG CPI	127.7	AVG CPI	129.9	AVG CPI	132.1	AVG CPI	132.9

APPENDIX 21

AVERAGED MONTHLY CONSUMER PRICE INDEX (CPI)
(Continued)

3rd Qtr 2nd Qtr	FY91 CY91	4th Qtr 3rd Qtr	FY91 CY91	1st Qtr 4th Qtr	FY92 CY91	2nd Qtr 1st Qtr	FY92 CY92
Apr 91	133.3	Jul 91	134.3	Oct 91	135.4	Jan 92	136.0
May 91	133.8	Aug 91	134.6	Nov 91	135.8	Feb 92	136.4
Jun 91	<u>134.1</u>	Sep 91	<u>135.2</u>	Dec 91	<u>135.9</u>	Mar 92	<u>137.0</u>
AVG CPI	133.7	AVG CPI	134.7	AVG CPI	135.7	AVG CPI	136.5
3rd Qtr 2nd Qtr	FY92 CY92	4th Qtr 3rd Qtr	FY92 CY92				
Apr 92	137.3	Jul 92	138.4				
May 92	137.6	Aug 92	138.8				
Jun 92	<u>138.1</u>	Sep 92	<u>139.1</u>				
AVG CPI	137.7	AVG CPI	138.8				

SAMPLE CALCULATION OF RETIRED PAY CATCHUP AT AGE 62

1.	Date of Initial Entry into Armed Semites		<u>1 August 1986</u>
2.	Date of Birth		<u>15 November 1966</u>
3.	Date of 62nd Birthday		<u>15 November 2028</u>
4.	Effective Date of Catch Up		<u>1 December 2028</u>
5.	Date of Retirement		<u>1 August 1987</u>
6.	Calendar Quarter Immediately Before Retirement		<u>April-June 1987</u>
7.	CPI for (6)		<u>341.2</u>
8.	Most Recent Base Quarter Ending More Than 31 Days Before 62nd Birthday		<u>July-September 2028</u>
9.	CPI for (8)		<u>2553.1</u>
10.	Ratio of Indexes to the Nearest 1/10 of 1% (9) + (7)		<u>7.483</u>
11.	Initial Unreduced Monthly Gross Retired Pay at Retirement		<u>\$1,000.00</u>
12.	New Gross Monthly Retired Pay	(11) X (10)	<u>\$7,483.00</u>
13.	Initial Monthly SBP Base Amount at Retirement		<u>\$1,000.00</u>
14.	New Monthly SBP Base Amount	(13) X (10)	<u>\$7,483.00</u>
15.	Initial Monthly SBP Cost at Retirement		<u>\$ 76.83</u>
16.	New Monthly SBP Cost	(15) X (10)	<u>\$ 574.92</u>

SAMPLE CALCULATION OF RETIRED PAY CATCHUP AT AGE 62

1.	Date of Initial Entry into Armed Services	<u>1 August 1986</u>
2.	Date of Birth	<u>31 October 1966</u>
3.	Date of 62nd Birthday	<u>31 October 2028</u>
4.	Effective Date of Catch Up	<u>1 November 2028</u>
5.	Date of Retirement	<u>1 August 1987</u>
6.	Calendar Quarter Immediately Before Retirement	<u>April-June 1987</u>
7.	CPI for (6)	<u>341.2</u>
8.	Most Recent Base Quarter Ending More Than 31 Days Before 62nd Birthday	<u>July-September 2028</u>
9.	CPI for (8)	<u>2431.5</u>
10.	Ratio of Indexes to the Nearest 1/10 of 1% (9) + (7)	<u>7.126</u>
11.	Initial Unreduced Monthly Gross Retired Pay at Retirement	<u>\$1,000.00</u>
12.	New Gross Monthly Retired Pay (11) X (10)	<u>\$7,126.00</u>
13.	Initial Monthly SBP Base Amount at Retirement	<u>\$1,000.00</u>
14.	New Monthly SBP Base Amount (13) X (10)	<u>\$7,126.00</u>
15.	Initial Monthly SBP Cost at Retirement	<u>\$ 76.83</u>
16.	New Monthly SBP Cost (15) X (10)	<u>\$ 547.49</u>

SAMPLE CALCULATION OF RETIRED PAY CATCHUP AT AGE 62

1.	Date of Initial Entry into Armed Semites		<u>1 August 1986</u>
2.	Date of Birth		<u>31 October 1966</u>
3.	Date of 62nd Birthday		<u>31 October 2028</u>
4.	Effective Date of Catch Up		<u>1 November 2028</u>
5.	Date of Retirement		<u>1 January 2007</u>
6.	Calendar Quarter Immediately Before Retirement		<u>October-December 2006</u>
7.	CPI for (6)		<u>882.7</u>
8.	Most Recent Base Quarter Ending More Than 31 Days Before 62nd Birthday		<u>July-September 2028</u>
9.	CPI for (8)		<u>2431.5</u>
10.	Ratio of Indexes to the Nearest 1/10 of 1% (9) + (7)		<u>2.755</u>
11.	Initial Unreduced Monthly Cross Retired Pay at Retirement		<u>\$3,300.00</u>
12.	New Gross Monthly Retired Pay	(11) X (10)	<u>\$9,174.00</u>
13.	Initial Monthly SBP Base Amount at Retirement		<u>\$3,300.00</u>
14.	New Monthly SBP Base Amount	(13) X (10)	<u>\$9,174.00</u>
15.	Initial Monthly SBP Cost at Retirement		<u>\$ 255.87</u>
16.	New Monthly SBP Cost	(15) X (10)	<u>\$ 704.92</u>

SAMPLE CALCULATION OF RETIRED PAY CATCHUP AT AGE 62

1.	Date of Initial Entry into Armed Services		<u>1 August 1986</u>
2.	Date of Birth		<u>12 February 1967</u>
3.	Date of 62nd Birthday		<u>12 February 2029</u>
4.	Effective Date of Catch Up		<u>1 March 2029</u>
5.	Date of Retirement		<u>1 May 2009</u>
6.	Calendar Quarter Immediately Before Retirement		<u>Jan-Mar 2009</u>
7.	CPI for (6)		<u>949.7</u>
8.	Most Recent Base Quarter Ending More Than 31 Days Before 62nd Birthday		<u>Oct-Dec 2028</u>
9.	CPI for (8)		<u>2553.2</u>
10.	Ratio of Indexes to the Nearest 1/10 of 1% (9) + (7)		<u>2.688</u>
11.	Initial Unreduced Monthly Gross Retired Pay at Retirement		<u>\$ 3,755.00</u>
12.	New Gross Monthly Retired Pay	(11) X (10)	<u>2.688</u>
13.	Initial Monthly SBP Base Amount at Retirement		<u>\$ 3,755.00</u>
14.	New Monthly SBP Base Amount	(13) X (10)	<u>\$10,093.00</u>
15.	Initial Monthly SBP Cost at Retirement		<u>\$ 288.53</u>
16.	New Monthly SBP Cost	(15) X (10)	<u>\$ 775.57</u>

APPENDIX 22

**INTERAGENCY AGREEMENT
BETWEEN THE
DEPARTMENT OF VETERANS AFFAIRS
AND THE
DEPARTMENT OF DEFENSE
MILITARY RETIRED PAY**

I. INTRODUCTION

A. Purpose: This Interagency Agreement establishes responsibilities for the purpose of allowing the Department of Veterans Affairs (VA) to collect, by administrative offset from veterans benefit compensation, amounts owed by retired military personnel to the Department of Defense (DoD) for participation in the Retired Servicemen's Family Protection Plan (RSFPP) or the Survivors Benefit Plan (SBP).

B. General: Public Law 99-576, October 28, 1986, as amended, 38 U.S.C. 3101, permits collection of amounts owed DoD for costs of participating in RSFTP or SBP from VA compensation or pension in accordance with the procedures prescribed in 31 U.S.C. 3716.

II. RESPONSIBILITIES**A. Department of Defense:**

The Deputy Comptroller (Management Systems)/Director Financial Services Policy shall be responsible for executing this Interagency Agreement.

2. The Military Services shall:

(a) Determine the amount of indebtedness for each member.

(b) Ensure any collection action is conducted in accordance with the procedures prescribed in 31 U.S.C. 3711-3720, as amended, and DoD regulations for administrative offset.

(c) Answer all inquiries from the retiree regarding the indebtedness.

(d) Certify to VA that due process procedures, in accordance with 31 U.S.C. 3716, have been completed for each member and that each member has been notified that his or her VA compensation or pension is to be withheld.

(e) Certify to VA that the military service (a) has attempted to collect the debt; (b) has been unable to collect the debt; and (c) has determined that the debt is not collectable from amounts payable by the military to the veteran or that the veteran is not receiving any payment from the military service.

(f) Request VA to offset the total debt amount from the veteran's compensation or pension.

(g) Credit any payment collected to the DoD Military Retirement Fund under Chapter 74 of Title 10 in accordance with 38 U.S.C., Section 3101(c)(4).

(h) Refund any amounts overcollected directly to the member.

B. Department of Veteran Affairs:

1. The Chief, Benefits Payment Policy Division, Financial Management Service (047F2), Department of Affairs shall be responsible for:

(a) Computing the maximum amount to be collected from the veteran's compensation or pension.

(b) Complying with the provisions of 38 CFR, 1,912a and initiating collection action against the veteran's compensation or pension, and return the funds collected to the appropriate military service for crediting to the Military Retirement Fund.

III. TERMS OF IMPLEMENTATION

A. Effective Date: This agreement will become effective upon the signature of both parties.

B. Amendment or Cancellation: This agreement may be revised or amended by the signature approval of the signatories hereto or by their successors. Cancellation may be made upon 60 days written notice to either party or their successors, to the other.

ACCEPTED

ACCEPTED

DEPARTMENT OF DEFENSE

DEPARTMENT OF VETERANS AFFAIRS

BY: Signed
Sean O'Keefe
DoD Comptroller

BY: Signed
H. Robert Salfvar
Deputy Assistant Secretary
for Acquisition and Materiel
Management

DATE: Aug 6 1990

DATE: 6-21-90

APPENDIX 23

LETTER-INTERNAL REVENUE SERVICE
TAX LEVY

The IRS has sent us the attached Notice of Levy on Wages, Salary, and Other Income (IRS Form 668--W). Under current rules, this is a one-time levy against your retired pay to collect delinquent Federal taxes. Please read the IRS Form 668--W carefully as it may be advisable to discuss it with your attorney or other tax adviser.

If you have been awarded the Medal of Honor, you are exempt from levy, and you should, as soon as possible, send us a copy of the citation awarding you the Medal of Honor to prevent the levy of your retired pay.

Current tax law protects a part of your retired pay from levy. You should complete the attached form and return it to us within five working days to claim your partial exemption. If we do not receive the completed form, we will compute your exemption for you, using the exemption for a married person filing separately with no other exemptions. Please note that the exemptions you claimed for tax withholding purposes are NOT the same and we will not use them to compute your exemption from levy,

We will deduct the levy from your (month/year) retired pay check. This is a one-time levy under current IRS rules; we will advise you if the IRS requests levy of any further retired pay checks. So long as future levies are for the same tax debt, you will not need to provide us further exemption information. We will use the information we have on file from this levy to compute future payments to the IRS.

If you have any questions concerning the levy itself, please contact the IRS office which issued it.